



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
**April 17, 2014**

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House File 2458

S-5162

- 1 Amend the amendment, S-5152, to House File 2458,  
2 as amended, passed, and reprinted by the House, as  
3 follows:  
4 1. Page 3, line 39, by striking <12,500> and  
5 inserting <12,500>  
6 2. Page 6, after line 35 by inserting:  
7 <4A. The moneys appropriated in subsection 1  
8 may be used by the department to support urban soil  
9 and water conservation efforts, which may include  
10 but are not limited to management practices related  
11 to bioretention, landscaping, the use of permeable  
12 pavement, and soil quality restoration. The moneys  
13 shall be allocated on a cost-share basis as provided  
14 in chapter 161A.>  
15 3. Page 15, by striking lines 34 and 35 and  
16 inserting <IOWA NUTRIENT RESEARCH CENTER. There is  
17 appropriated from the environment first>  
18 4. Page 19, by striking lines 7 and 8.  
19 5. Page 19, by striking lines 16 through 18 and  
20 inserting <by a nonprofit organization that conducts  
21 nutrient>  
22 6. By renumbering, redesignating, and correcting  
23 internal references as necessary.

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DENNIS H. BLACK

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House File 2458

S-5163

1 Amend the amendment, S-5152, to House File 2458,  
2 as amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 19, after line 3 by inserting:

5 <DIVISION

6 RECREATIONAL LAKE AND WATER QUALITY DISTRICTS

7 Sec. \_\_\_\_ . NEW SECTION. 357E.15 Exemption from  
8 taxation — refunds.

9 1. The property and facilities of a district shall  
10 not be taxable in any manner by the state or any of its  
11 political subdivisions.

12 2. A district is a tax-certifying body for purposes  
13 of section 423.4, subsection 1.

14 Sec. \_\_\_\_ . Section 427.1, subsection 2, Code 2014,  
15 is amended to read as follows:

16 2. *Municipal and military property.* The property  
17 of a county, township, city, school corporation, levee  
18 district, drainage district, district organized under  
19 chapter 357E, or the Iowa national guard, when devoted  
20 to public use and not held for pecuniary profit, except  
21 property of a municipally owned electric utility held  
22 under joint ownership and property of an electric  
23 power facility financed under chapter 28F or 476A that  
24 shall be subject to taxation under chapter 437A and  
25 facilities of a municipal utility that are used for  
26 the provision of local exchange services pursuant to  
27 chapter 476, but only to the extent such facilities  
28 are used to provide such services, which shall be  
29 subject to taxation under chapter 433, except that  
30 section 433.11 shall not apply. The exemption for  
31 property owned by a city or county also applies to  
32 property which is operated by a city or county as a  
33 library, art gallery or museum, conservatory, botanical  
34 garden or display, observatory or science museum, or  
35 as a location for holding athletic contests, sports  
36 or entertainment events, expositions, meetings or  
37 conventions, or leased from the city or county for  
38 any such purposes, or leased from the city or county  
39 by the Iowa national guard or by a federal agency for  
40 the benefit of the Iowa national guard when devoted  
41 for public use and not for pecuniary profit. Food and  
42 beverages may be served at the events or locations  
43 without affecting the exemptions, provided the city  
44 has approved the serving of food and beverages on the  
45 property if the property is owned by the city or the  
46 county has approved the serving of food and beverages  
47 on the property if the property is owned by the  
48 county. The exemption for property owned by a city or  
49 county also applies to property which is located at an  
50 airport and leased to a fixed base operator providing

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1 aeronautical services to the public.  
2 Sec. \_\_\_\_\_. IMPLEMENTATION OF ACT. Section  
3 25B.7 does not apply to the property tax exemption  
4 established in this division of this Act.  
5 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
6 of this Act, being deemed of immediate importance,  
7 takes effect upon enactment.  
8 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This division  
9 of this Act applies retroactively to January 1, 2014,  
10 for property tax assessment years beginning on or after  
11 that date.  
12 Sec. \_\_\_\_\_. RETROACTIVE APPLICABILITY. This division  
13 of this Act applies retroactively to January 1, 2014,  
14 for sales and use tax paid on or after that date.>  
15 2. Page 19, line 41, after <protection,> by  
16 inserting <providing for taxable property,>  
17 3. Page 19, line 42, after <date> by inserting <and  
18 retroactive applicability>  
19 4. By renumbering as necessary.

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DAN ZUMBACH

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DENNIS H. BLACK



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House File 2458

S-5164

1 Amend the amendment, S-5152, to House File 2458,  
2 as amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 19, after line 3 by inserting:

5 <DIVISION \_\_\_\_\_  
6 RELATED STATUTORY CHANGES FOR CODIFICATION IN 2014  
7 EMINENT DOMAIN

8 Sec. \_\_\_\_\_. NEW SECTION. 6A.15 Property on state  
9 historic registry.

10 1. Property listed on the state register of  
11 historic places maintained by the historical division  
12 of the department of cultural affairs shall not be  
13 removed from the register solely for the purpose of  
14 allowing acquisition of the property by condemnation,  
15 unless such condemnation is undertaken by the  
16 department of transportation.

17 2. Property listed on the state register of  
18 historic places maintained by the historical division  
19 of the department of cultural affairs shall not be  
20 condemned by the state or a political subdivision  
21 unless a joint resolution authorizing commencement of  
22 the condemnation proceedings is approved by a vote of  
23 at least two-thirds of the members of both chambers  
24 of the general assembly and signed by the governor.  
25 The approval requirements of this subsection shall not  
26 apply to condemnation undertaken by the department of  
27 transportation.

28 Sec. \_\_\_\_\_. Section 6A.22, subsection 2, paragraph  
29 c, subparagraph (1), Code 2014, is amended to read as  
30 follows:

31 (1) (a) If private property is to be condemned for  
32 development or creation of a lake, only that number  
33 of acres justified as reasonable and necessary for  
34 a surface drinking water source, and not otherwise  
35 acquired, may be condemned. In addition, the acquiring  
36 agency shall conduct a review of prudent and feasible  
37 alternatives to provision of a drinking water source  
38 prior to making a determination that such lake  
39 development or creation is reasonable and necessary.  
40 Development or creation of a lake as a surface drinking  
41 water source includes all of the following:

42 (i) Construction of the dam, including sites for  
43 suitable borrow material and the auxiliary spillway.

44 (ii) The water supply pool.

45 (iii) The sediment pool.

46 (iv) The flood control pool.

47 (v) The floodwater retarding pool.

48 (vi) The surrounding area upstream of the dam  
49 no higher in elevation than the top of the dam's  
50 elevation.

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1 (vii) The appropriate setback distance required  
2 by state or federal laws and regulations to protect  
3 drinking water supply.  
4 (b) For purposes of this subparagraph (1), "*number*  
5 *of acres justified as reasonable and necessary for*  
6 *a surface drinking water source*" means according to  
7 guidelines of the United States natural resource  
8 conservation service and according to analyses of  
9 surface drinking water capacity needs conducted  
10 by one or more registered professional engineers.  
11 The registered professional engineers may, if  
12 appropriate, employ standards or guidelines other  
13 than the guidelines of the United States natural  
14 resource conservation service when determining the  
15 number of acres justified as reasonable and necessary  
16 for a surface drinking water source. The data and  
17 information used by the registered professional  
18 engineers shall include data and information relating  
19 to population and commercial enterprise activity for  
20 the area from the two most recent federal decennial  
21 censuses unless the district court of the county in  
22 which the property is situated has determined by a  
23 preponderance of the evidence that such data would  
24 not accurately predict the population and commercial  
25 enterprise activity of the area in the future.  
26 (c) A second review or analysis of the drinking  
27 water capacity needs shall be performed upon receipt  
28 by the acquiring agency of a petition signed by not  
29 less than twenty-five percent of the affected property  
30 owners. The registered professional engineer to  
31 perform the second review or analysis shall be selected  
32 by a committee appointed by the affected property  
33 owners and whose membership is comprised of at least  
34 fifty percent property owners affected by the proposed  
35 condemnation action. The acquiring agency shall be  
36 responsible for paying the fees and expenses of such  
37 an engineer.  
38 (d) If private property is to be condemned for  
39 development or creation of a lake, the plans, analyses,  
40 applications, including any application for funding,  
41 and other planning activities of the acquiring agency  
42 shall not include or provide for the use of the lake  
43 for recreational purposes.  
44 Sec. \_\_\_\_\_. Section 6B.54, subsection 10, paragraph  
45 a, Code 2014, is amended by adding the following new  
46 subparagraph:  
47 NEW SUBPARAGRAPH. (3) Reasonable attorney fees and  
48 reasonable costs not to exceed one hundred thousand  
49 dollars, attributable to a determination that the  
50 creation of a lake through condemnation includes a

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1 future recreational use or that a violation of section  
2 6A.22, subsection 2, paragraph "c", subparagraph (1),  
3 subparagraph division (d), has occurred, if such fees  
4 and costs are not otherwise provided under section  
5 6B.33.

6 Sec. \_\_\_\_\_. **NEW SECTION. 6B.56B Disposition of**  
7 **condemned property — two-year time period.**

8 1. When two years have elapsed since property  
9 was condemned for the creation of a lake according  
10 to the requirements of section 6A.22, subsection 2,  
11 paragraph "c", subparagraph (1), and the property has  
12 not been used for or construction has not progressed  
13 substantially from the date the property was condemned  
14 for the purpose stated in the application filed  
15 pursuant to section 6B.3, and the acquiring agency has  
16 not taken action to dispose of the property pursuant  
17 to section 6B.56, the acquiring agency shall, within  
18 sixty days, adopt a resolution offering the property  
19 for sale to the prior owner at a price as provided in  
20 section 6B.56. If the resolution adopted approves an  
21 offer of sale to the prior owner, the offer shall be  
22 made in writing and mailed by certified mail to the  
23 prior owner. The prior owner has one hundred eighty  
24 days after the offer is mailed to purchase the property  
25 from the acquiring agency.

26 2. If the acquiring agency has not adopted a  
27 resolution described in subsection 1 within the  
28 sixty-day time period, the prior owner may, in writing,  
29 petition the acquiring agency to offer the property  
30 for sale to the prior owner at a price as provided in  
31 section 6B.56. Within sixty days after receipt of  
32 such a petition, the acquiring agency shall adopt a  
33 resolution described in subsection 1. If the acquiring  
34 agency does not adopt such a resolution within sixty  
35 days after receipt of the petition, the acquiring  
36 agency is deemed to have offered the property for sale  
37 to the prior owner.

38 3. The acquiring agency shall give written notice  
39 to the owner of the right to purchase the property  
40 under this section at the time damages are paid to the  
41 owner.

42 Sec. \_\_\_\_\_. Section 403.7, subsection 1, unnumbered  
43 paragraph 1, Code 2014, is amended to read as follows:

44 A municipality shall have the right to acquire by  
45 condemnation any interest in real property, including a  
46 fee simple title thereto, which it may deem necessary  
47 for or in connection with an urban renewal project  
48 under this chapter, subject to the limitations on  
49 eminent domain authority in ~~chapter~~ chapters 6A and 6B.  
50 However, a municipality shall not condemn agricultural

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1 land included within an economic development area  
2 for any use unless the owner of the agricultural land  
3 consents to condemnation or unless the municipality  
4 determines that the land is necessary or useful for any  
5 of the following:

6 Sec. \_\_\_\_\_. NEW SECTION. 423B.11 Use of revenues —  
7 limitation.

8 The revenue raised by a local sales and services  
9 tax imposed under this chapter by a county shall not  
10 be expended for any purpose related to a project that  
11 includes the condemnation of private property for  
12 the creation of a lake according to the requirements  
13 of section 6A.22, subsection 2, paragraph "c",  
14 subparagraph (1), if the local sales and services tax  
15 has not been approved at election in the area where the  
16 property to be condemned is located.

17 Sec. \_\_\_\_\_. Section 455A.5, Code 2014, is amended by  
18 adding the following new subsection:

19 NEW SUBSECTION. 7. The authority granted to the  
20 commission to acquire real property for purposes  
21 of carrying out a duty related to development or  
22 maintenance of the recreation resources of the state,  
23 including planning, acquisition, and development of  
24 recreational projects, and areas and facilities related  
25 to such projects, shall not include the authority to  
26 acquire real property by eminent domain.

27 Sec. \_\_\_\_\_. Section 456A.24, subsection 2, unnumbered  
28 paragraph 1, Code 2014, is amended to read as follows:

29 Acquire by purchase, ~~condemnation~~, lease, agreement,  
30 gift, and devise lands or waters suitable for the  
31 purposes hereinafter enumerated, and rights-of-way  
32 thereto, and to maintain the same for the following  
33 purposes, ~~to-wit~~:

34 Sec. \_\_\_\_\_. Section 456A.24, Code 2014, is amended by  
35 adding the following new subsection:

36 NEW SUBSECTION. 15. The authority granted the  
37 department to acquire real property for any statutory  
38 purpose relating to the development or maintenance  
39 of the recreation resources of the state, including  
40 planning, acquisition, and development of recreational  
41 projects, and areas and facilities related to such  
42 projects, shall not include the authority to acquire  
43 real property by eminent domain.

44 Sec. \_\_\_\_\_. Section 461A.7, Code 2014, is amended to  
45 read as follows:

46 461A.7 Eminent domain Purchase of lands — public  
47 parks.

48 The commission may purchase ~~or condemn~~ lands from  
49 willing sellers for public parks. ~~No A contract for~~  
50 the purchase of such public parks shall not be made to

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1 an amount in excess of funds appropriated therefor by  
2 the general assembly.  
3 Sec. \_\_\_\_\_. Section 461A.10, Code 2014, is amended to  
4 read as follows:  
5 **461A.10 Title to lands.**  
6 The title to all lands purchased, ~~condemned~~, or  
7 donated, hereunder, for park ~~or highway~~ purposes and  
8 the title to all lands purchased, condemned, or donated  
9 hereunder for highway purposes, shall be taken in the  
10 name of the state and if thereafter it shall be deemed  
11 advisable to sell any portion of the land so purchased  
12 or condemned, the proceeds of such sale shall be placed  
13 to the credit of the ~~said~~ public state parks fund to be  
14 used for such park purposes.  
15 Sec. \_\_\_\_\_. Section 463C.8, subsection 1, paragraph  
16 k, Code 2014, is amended to read as follows:  
17 k. The power to acquire, own, hold, administer,  
18 and dispose of property, except that such power is not  
19 a grant of authority to acquire property by eminent  
20 domain.  
21 Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 132, is amended  
22 by adding the following new section:  
23 **NEW SECTION. SEC. 75. REPEAL.** Sections 461A.9 and  
24 461A.75, Code 2014, are repealed.  
25 Sec. \_\_\_\_\_. **LIMITATION.** The provisions of  
26 this division of this Act shall not be construed  
27 or interpreted to limit or otherwise affect the  
28 application of chapters 6A, 478, or 479 as they relate  
29 to the eminent domain authority of the utilities  
30 division of the department of commerce.  
31 Sec. \_\_\_\_\_. **SEVERABILITY.** If any provision of this  
32 division of this Act is held invalid, the invalidity  
33 shall not affect other provisions or applications of  
34 this division of this Act which can be given effect  
35 without the invalid provision, and to this end the  
36 provisions of this division of this Act are severable  
37 as provided in section 4.12.  
38 Sec. \_\_\_\_\_. **EFFECTIVE UPON ENACTMENT.** This division  
39 of this Act, being deemed of immediate importance,  
40 takes effect upon enactment.  
41 Sec. \_\_\_\_\_. **APPLICABILITY.** Except as otherwise  
42 provided in this division of this Act, this division  
43 of this Act applies to projects or condemnation  
44 proceedings pending or commenced on or after the  
45 effective date of this division of this Act.  
46 Sec. \_\_\_\_\_. **RETROACTIVE APPLICABILITY.**  
47 Notwithstanding any provision of law to the contrary,  
48 the following provision or provisions of this division  
49 of this Act apply retroactively to projects or  
50 condemnation proceedings pending or commenced on or

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1 after February 15, 2013:  
2 1. The section of this division of this Act  
3 amending section 6A.22.  
4 2. The section of this division of this Act  
5 enacting section 6B.56B.>  
6 2. Page 19, line 41, after <protection,> by  
7 inserting <providing for eminent domain procedures,>  
8 3. Page 19, line 42, before <date> by inserting  
9 <and applicability>  
10 4. By renumbering as necessary.

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JULIAN GARRETT



Iowa General Assembly  
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House File 2453

S-5165

1 Amend House File 2453, as passed by the House, as  
2 follows:  
3 1. By striking everything after the enacting clause  
4 and inserting:  
5 <Section 1. Section 16.188, subsection 3, paragraph  
6 b, subparagraph (1), Code 2014, is amended to read as  
7 follows:  
8 (1) Projects that are eligible for historic  
9 preservation and cultural and entertainment district  
10 tax credits under section 404A.1 404A.2.  
11 Sec. 2. Section 404A.1, Code 2014, is amended by  
12 striking the section and inserting in lieu thereof the  
13 following:  
14 **404A.1 Definitions.**  
15 For purposes of this chapter, unless the context  
16 otherwise requires:  
17 1. "*Completion date*" means the date on which  
18 property that is the subject of a qualified  
19 rehabilitation project is placed in service, as that  
20 term is used in section 47 of the Internal Revenue  
21 Code.  
22 2. "*Department*" means the department of cultural  
23 affairs.  
24 3. "*Eligible taxpayer*" means the owner of  
25 the property that is the subject of a qualified  
26 rehabilitation project, or another person who will  
27 qualify for the federal rehabilitation credit allowed  
28 under section 47 of the Internal Revenue Code with  
29 respect to the property that is the subject of a  
30 qualified rehabilitation project.  
31 4. "*Nonprofit organization*" means an organization  
32 described in section 501 of the Internal Revenue Code  
33 unless the exemption is denied under section 501, 502,  
34 503, or 504 of the Internal Revenue Code. "*Nonprofit*  
35 *organization*" does not include a governmental body, as  
36 that term is defined in section 362.2.  
37 5. "*Program*" shall mean the historic preservation  
38 and cultural and entertainment district tax credit  
39 program set forth in this chapter.  
40 6. a. "*Qualified rehabilitation expenditures*" means  
41 the same as defined in section 47 of the Internal  
42 Revenue Code. Notwithstanding the foregoing sentence,  
43 expenditures incurred by an eligible taxpayer that is  
44 a nonprofit organization shall be considered "*qualified*  
45 *rehabilitation expenditures*" if they are any of the  
46 following:  
47 (1) Expenditures made for structural components, as  
48 that term is defined in 26 C.F.R. §1.48-1(e)(2).  
49 (2) Expenditures made for architectural and  
50 engineering fees, site survey fees, legal expenses,

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1 insurance premiums, and development fees.  
2 *b. "Qualified rehabilitation expenditures"* does not  
3 include those expenditures financed by federal, state,  
4 or local government grants or forgivable loans unless  
5 otherwise allowed under section 47 of the Internal  
6 Revenue Code.  
7 *c. "Qualified rehabilitation expenditures"* may  
8 include expenditures incurred prior to the date  
9 an agreement is entered into under section 404A.3,  
10 subsection 3.  
11 7. *"Qualified rehabilitation project"* means a  
12 project for the rehabilitation of property in this  
13 state that meets all of the following criteria:  
14 *a.* The property is at least one of the following:  
15 (1) Property listed on the national register of  
16 historic places or eligible for such listing.  
17 (2) Property designated as of historic significance  
18 to a district listed in the national register of  
19 historic places or eligible for such designation.  
20 (3) Property or district designated a local  
21 landmark by a city or county ordinance.  
22 (4) A barn constructed prior to 1937.  
23 *b.* The property meets the physical criteria and  
24 standards for rehabilitation established by the  
25 department by rule. To the extent applicable, the  
26 physical standards and criteria shall be consistent  
27 with the United States secretary of the interior's  
28 standards for rehabilitation.  
29 *c.* The project has qualified rehabilitation  
30 expenditures that meet or exceed the following:  
31 (1) In the case of commercial property,  
32 expenditures totaling at least fifty thousand dollars  
33 or fifty percent of the assessed value of the property,  
34 excluding the land, prior to rehabilitation, whichever  
35 is less.  
36 (2) In the case of property other than commercial  
37 property, including but not limited to barns  
38 constructed prior to 1937, expenditures totaling at  
39 least twenty-five thousand dollars or twenty-five  
40 percent of the assessed value, excluding the land,  
41 prior to rehabilitation, whichever is less.  
42 Sec. 3. Section 404A.2, Code 2014, is amended by  
43 striking the section and inserting in lieu thereof the  
44 following:  
45 **404A.2 Historic preservation and cultural and**  
46 **entertainment district tax credit.**  
47 1. An eligible taxpayer who has entered into  
48 an agreement under section 404A.3, subsection 3,  
49 is eligible to receive a historic preservation and  
50 cultural and entertainment district tax credit

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1 in an amount equal to twenty-five percent of the  
2 qualified rehabilitation expenditures of a qualified  
3 rehabilitation project that are specified in the  
4 agreement. Notwithstanding any other provision of  
5 this chapter or any provision in the agreement to the  
6 contrary, the amount of the tax credits shall not  
7 exceed twenty-five percent of the final qualified  
8 rehabilitation expenditures verified by the department  
9 pursuant to section 404A.3, subsection 5, paragraph  
10 "c".

11 2. The tax credit shall be allowed against the  
12 taxes imposed in chapter 422, divisions II, III,  
13 and V, and in chapter 432. An individual may claim  
14 a tax credit under this section of a partnership,  
15 limited liability company, S corporation, estate,  
16 or trust electing to have income taxed directly to  
17 the individual. For an individual claiming a tax  
18 credit of an estate or trust, the amount claimed  
19 by the individual shall be based upon the pro rata  
20 share of the individual's earnings from the estate  
21 or trust. For an individual claiming a tax credit  
22 of a partnership, limited liability company, or S  
23 corporation, the amount claimed by the partner, member,  
24 or shareholder, respectively, shall be based upon  
25 the amounts designated by the eligible partnership,  
26 S corporation, or limited liability company, as  
27 applicable.

28 3. Any credit in excess of the taxpayer's tax  
29 liability for the tax year shall be refunded with  
30 interest computed under section 422.25. In lieu of  
31 claiming a refund, a taxpayer may elect to have the  
32 overpayment shown on the taxpayer's final, completed  
33 return credited to the tax liability for the following  
34 year.

35 4. a. To claim a tax credit under this section,  
36 a taxpayer shall include one or more tax credit  
37 certificates with the taxpayer's tax return.

38 b. The tax credit certificate shall contain the  
39 taxpayer's name, address, tax identification number,  
40 the amount of the credit, the name of the eligible  
41 taxpayer, any other information required by the  
42 department of revenue, and a place for the name and tax  
43 identification number of a transferee and the amount of  
44 the tax credit being transferred.

45 c. The tax credit certificate, unless rescinded by  
46 the department, shall be accepted by the department  
47 of revenue as payment for taxes imposed in chapter  
48 422, divisions II, III, and V, and in chapter 432,  
49 subject to any conditions or restrictions placed by  
50 the department or the department of revenue upon the

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1 face of the tax credit certificate and subject to the  
2 limitations of this program.

3 5. *a.* Tax credit certificates issued under  
4 section 404A.3 may be transferred to any person.  
5 Within ninety days of transfer, the transferee shall  
6 submit the transferred tax credit certificate to the  
7 department of revenue along with a statement containing  
8 the transferee's name, tax identification number,  
9 and address, the denomination that each replacement  
10 tax credit certificate is to carry, and any other  
11 information required by the department of revenue.  
12 However, tax credit certificate amounts of less  
13 than the minimum amount established by rule of the  
14 department of revenue shall not be transferable.

15 *b.* Within thirty days of receiving the transferred  
16 tax credit certificate and the transferee's statement,  
17 the department of revenue shall issue one or more  
18 replacement tax credit certificates to the transferee.  
19 Each replacement tax credit certificate must contain  
20 the information required for the original tax credit  
21 certificate and must have the same expiration date that  
22 appeared on the transferred tax credit certificate.

23 *c.* A tax credit shall not be claimed by a  
24 transferee under this section until a replacement tax  
25 credit certificate identifying the transferee as the  
26 proper holder has been issued. The transferee may use  
27 the amount of the tax credit transferred against the  
28 taxes imposed in chapter 422, divisions II, III, and  
29 V, and in chapter 432, for any tax year the original  
30 transferor could have claimed the tax credit. Any  
31 consideration received for the transfer of the tax  
32 credit shall not be included as income under chapter  
33 422, divisions II, III, and V. Any consideration  
34 paid for the transfer of the tax credit shall not be  
35 deducted from income under chapter 422, divisions II,  
36 III, and V.

37 6. For purposes of the individual and corporate  
38 income taxes and the franchise tax, the increase in  
39 the basis of the rehabilitated property that would  
40 otherwise result from the qualified rehabilitation  
41 expenditures shall be reduced by the amount of the  
42 credit computed under this section.

43 Sec. 4. Section 404A.3, Code 2014, is amended by  
44 striking the section and inserting in lieu thereof the  
45 following:

46 **404A.3 Application and registration — agreement —**  
47 **compliance and examination.**

48 1. *Application and fees.*

49 *a.* An eligible taxpayer seeking historic  
50 preservation and cultural and entertainment district

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1 tax credits provided in section 404A.2 shall make  
2 application to the department in the manner prescribed  
3 by the department.  
4 *b.* The department may accept applications on a  
5 continuous basis or may accept applications, or one or  
6 more components of an application, during one or more  
7 application periods.  
8 *c.* The application shall include any information  
9 deemed necessary by the department to evaluate  
10 the eligibility under the program of the applicant  
11 and the rehabilitation project, the amount of  
12 projected qualified rehabilitation expenditures of a  
13 rehabilitation project, and the amount and source of  
14 all funding for a rehabilitation project. An applicant  
15 shall have the burden of proof to demonstrate to the  
16 department that the applicant is an eligible taxpayer  
17 and the project is a qualified rehabilitation project  
18 under the program.  
19 *d.* The department may establish criteria for the  
20 use of electronic or other alternative filing or  
21 submission methods for any application, document, or  
22 payment requested or required under this program. Such  
23 criteria may provide for the acceptance of a signature  
24 in a form other than the handwriting of a person.  
25 *e.* (1) The department may charge application  
26 and other fees to eligible taxpayers who apply to  
27 participate in the program. The amount of such  
28 fees shall be determined based on the costs of the  
29 department associated with administering the program.  
30 (2) Fees collected by the department pursuant to  
31 this paragraph shall be deposited with the department  
32 pursuant to section 303.9, subsection 1.  
33 *2. Registration.*  
34 *a.* Upon review of the application, the department  
35 may register a qualified rehabilitation project under  
36 the program. If the department registers the project,  
37 the department shall make a preliminary determination  
38 as to the amount of tax credits for which the project  
39 qualifies.  
40 *b.* After registering the qualified rehabilitation  
41 project, the department shall notify the eligible  
42 taxpayer of successful registration under the program.  
43 The notification shall include the amount of tax  
44 credits under section 404A.2 for which the qualified  
45 rehabilitation project has received a tentative award  
46 and a statement that the amount is a preliminary  
47 determination only.  
48 *3. Agreement.*  
49 *a.* Upon successful registration of a qualified  
50 rehabilitation project, the eligible taxpayer shall

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1 enter into an agreement with the department for the  
2 successful completion of all requirements of the  
3 program.  
4     **b.** The agreement shall contain mutually agreeable  
5 terms and conditions which, at a minimum, provide for  
6 the following:  
7         (1) The amount of the tax credit award. An  
8 eligible taxpayer has no right to receive a tax  
9 credit certificate or claim a tax credit until all  
10 requirements of the agreement and subsections 4 and 5  
11 have been satisfied. The amount of tax credit included  
12 on a tax credit certificate issued under this section  
13 shall be contingent upon verification by the department  
14 of the amount of final qualified rehabilitation  
15 expenditures.  
16         (2) The rehabilitation work to be performed.  
17         (3) The budget of the qualified rehabilitation  
18 project, including the projected qualified  
19 rehabilitation expenditures, allowable cost overruns,  
20 and the source and amount of all funding received or  
21 anticipated to be received. The amount of allowable  
22 cost overruns provided for in the agreement shall not  
23 exceed the following amount:  
24             (a) For a qualified rehabilitation project with  
25 final qualified rehabilitation expenditures of not more  
26 than seven hundred fifty thousand dollars, fifteen  
27 percent of the projected qualified rehabilitation  
28 expenditures provided for in the agreement.  
29             (b) For a qualified rehabilitation project with  
30 final qualified rehabilitation expenditures of more  
31 than seven hundred fifty thousand dollars but not more  
32 than six million dollars, ten percent of the projected  
33 qualified rehabilitation expenditures provided for in  
34 the agreement.  
35             (c) For a qualified rehabilitation project with  
36 final qualified rehabilitation expenditures of more  
37 than six million dollars, five percent of the projected  
38 qualified rehabilitation expenditures provided for in  
39 the agreement.  
40         (4) The commencement date of the qualified  
41 rehabilitation project, which shall not be later than  
42 the end of the fiscal year in which the agreement is  
43 entered into.  
44         (5) The completion date of the qualified  
45 rehabilitation project, which shall be within  
46 thirty-six months of the commencement date.  
47         (6) The date on which the agreement terminates,  
48 which date shall not be earlier than five years from  
49 the date on which the tax credit certificate is issued.  
50     **4. Compliance.**

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1     a. The eligible taxpayer shall, for the length  
2 of the agreement, annually certify to the department  
3 compliance with the requirements of the agreement.  
4 The certification shall be made at such time as the  
5 department shall determine in the agreement.  
6     b. The eligible taxpayer shall have the burden  
7 of proof to demonstrate to the department that all  
8 requirements of the agreement are satisfied. The  
9 taxpayer shall notify the department in a timely  
10 manner of any changes in the qualification of the  
11 rehabilitation project or in the eligibility of  
12 the taxpayer to claim the tax credit provided under  
13 this chapter, or of any other change that may have a  
14 negative impact on the eligible taxpayer's ability  
15 to successfully complete any requirement under the  
16 agreement.  
17     c. (1) If after entering into the agreement but  
18 before a tax credit certificate is issued, the eligible  
19 taxpayer or the qualified rehabilitation project no  
20 longer meets the requirements of the agreement, the  
21 department may find the taxpayer in default under the  
22 agreement and may revoke the tax credit award.  
23     (2) If an eligible taxpayer obtains a tax credit  
24 certificate from the department by way of a prohibited  
25 activity, the eligible taxpayer and any transferee  
26 shall be jointly and severally liable to the state for  
27 the amount of the tax credits so issued, interest and  
28 penalties allowed under chapter 422, and reasonable  
29 attorney fees and litigation costs, except that the  
30 liability of the transferee shall not exceed an amount  
31 equal to the amount of the tax credits acquired by  
32 the transferee. The department of revenue, upon  
33 notification or discovery that a tax credit certificate  
34 was issued to an eligible taxpayer by way of a  
35 prohibited activity, shall revoke any outstanding  
36 tax credit and seek repayment of the value of any tax  
37 credit already claimed, and the failure to make such a  
38 repayment may be treated by the department of revenue  
39 in the same manner as a failure to pay the tax shown  
40 due or required to be shown due with the filing of a  
41 return or deposit form. A qualifying transferee is not  
42 subject to the liability, revocation, and repayment  
43 imposed under this subparagraph.  
44     (3) For purposes of this paragraph:  
45     (a) "*Prohibited activity*" means a breach or default  
46 under the agreement with the department, the violation  
47 of any warranty provided by the eligible taxpayer  
48 to the department or the department of revenue, the  
49 claiming of a tax credit issued under this chapter for  
50 expenditures that are not qualified rehabilitation

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1 expenditures, the violation of any requirements of this  
2 chapter or rules adopted pursuant to this chapter,  
3 misrepresentation, fraud, or any other unlawful act or  
4 omission.

5 (b) "*Qualifying transferee*" means a transferee who  
6 acquires a tax credit certificate issued under this  
7 chapter for value, in good faith, without actual or  
8 constructive notice of a prohibited activity of the  
9 eligible taxpayer who was originally issued the tax  
10 credit, and without actual or constructive notice  
11 of any other claim to or defense against the tax  
12 credit, and which transferee is not associated with  
13 the eligible taxpayer by being one or more of the  
14 following:

15 (i) An owner, member, shareholder, or partner  
16 of the eligible taxpayer who directly or indirectly  
17 owns or controls, in whole or in part, the eligible  
18 taxpayer.

19 (ii) A director, officer, or employee of the  
20 eligible taxpayer.

21 (iii) A relative of the eligible taxpayer or a  
22 person listed in subparagraph subdivision (i) or (ii)  
23 or, if the eligible taxpayer or an owner, member,  
24 shareholder, or partner of the eligible taxpayer is a  
25 legal entity, the natural persons who ultimately own  
26 such legal entity.

27 (iv) A person who is owned or controlled, in  
28 whole or in part, by a person listed in subparagraph  
29 subdivision (i) or (ii).

30 (c) "*Relative*" means an individual related by  
31 consanguinity within the second degree as determined  
32 by common law, a spouse, or an individual related to  
33 a spouse within the second degree as so determined,  
34 and includes an individual in an adoptive relationship  
35 within the second degree.

36 5. *Examination and audit of project.*

37 a. An eligible taxpayer shall engage a certified  
38 public accountant authorized to practice in this  
39 state to conduct an examination of the project in  
40 accordance with the American institute of certified  
41 public accountants' statements on standards for  
42 attestation engagements. Upon completion of the  
43 qualified rehabilitation project, the eligible taxpayer  
44 shall submit the examination to the department, along  
45 with a statement of the amount of final qualified  
46 rehabilitation expenditures and any other information  
47 deemed necessary by the department or the department of  
48 revenue in order to verify that all requirements of the  
49 agreement, this chapter, and all rules adopted pursuant  
50 to this chapter have been satisfied.

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1     **b.** Notwithstanding paragraph “a”, the department  
2 may waive the examination requirement in this  
3 subsection if all the following requirements are  
4 satisfied:  
5     (1) The final qualified rehabilitation expenditures  
6 of the qualified rehabilitation project, as verified  
7 by the department, do not exceed one hundred thousand  
8 dollars.  
9     (2) The qualified rehabilitation project is funded  
10 exclusively by private funding sources.  
11     **c.** Upon review of the examination, if applicable,  
12 the department shall verify that all requirements of  
13 the agreement, this chapter, and all rules adopted  
14 pursuant to this chapter have been satisfied and shall  
15 verify the amount of final qualified rehabilitation  
16 expenditures. After consultation with the department  
17 of revenue, the department may issue a tax credit  
18 certificate to the eligible taxpayer stating the  
19 amount of tax credit under section 404A.2 the eligible  
20 taxpayer may claim. The department shall issue the tax  
21 credit certificate not later than 60 days following the  
22 completion of the examination review, if applicable,  
23 and the verifications and consultation required under  
24 this paragraph.  
25     6. Notwithstanding any other provision of this  
26 chapter to the contrary, the department may waive the  
27 requirements of subsections 1 through 4, except the  
28 requirements relating to allowable cost overruns in  
29 subsection 3, paragraph “b”, subparagraph (3), and  
30 the requirements in subsection 4, paragraphs “b” and  
31 “c”, for qualified rehabilitation projects with final  
32 qualified rehabilitation expenditures of seven hundred  
33 fifty thousand dollars or less and may establish by  
34 rule different application, registration, agreement,  
35 compliance, or other requirements relating to such  
36 projects.  
37     7. The department may for good cause amend an  
38 agreement.  
39     Sec. 5. Section 404A.4, Code 2014, is amended by  
40 striking the section and inserting in lieu thereof the  
41 following:  
42     **404A.4 Aggregate tax credit award limit.**  
43     1. **a.** Except as provided in subsections 2 and 3,  
44 the department shall not award in any one fiscal year  
45 an amount of tax credits provided in section 404A.2 in  
46 excess of forty-five million dollars.  
47     **b.** Of the tax credits that may be awarded in  
48 a fiscal year pursuant to paragraph “a”, at least  
49 five percent of the dollar amount of the tax credits  
50 shall be allocated for purposes of new qualified

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1 rehabilitation projects with final qualified  
2 rehabilitation expenditures of seven hundred fifty  
3 thousand dollars or less.  
4     2. a. The amount of a tax credit that is awarded  
5 during a fiscal year beginning on or after July 1,  
6 2016, and that is irrevocably declined or revoked on or  
7 before June 30 of the next fiscal year may be awarded  
8 under section 404A.3 during the fiscal year in which  
9 the declination or revocation occurs.  
10    b. The amount of a tax credit that was reserved  
11 prior to the effective date of this Act under section  
12 404A.4, Code 2014, for use in a fiscal year beginning  
13 before July 1, 2016, that is irrevocably declined or  
14 revoked on or after the effective date of this Act,  
15 but before July 1, 2016, may be awarded under section  
16 404A.3 during the fiscal year in which such declination  
17 or revocation occurs. Such tax credits awarded shall  
18 not be claimed by a taxpayer in a fiscal year that is  
19 earlier than the fiscal year for which the tax credits  
20 were originally reserved.  
21    c. The amount of a tax credit that was available  
22 for approval by the state historical preservation  
23 office of the department under section 404A.4, Code  
24 2014, in a fiscal year beginning on or after July 1,  
25 2010, but before July 1, 2014, that was required to  
26 be allocated to new projects with final qualified  
27 rehabilitation costs of five hundred thousand dollars  
28 or less, or seven hundred fifty thousand dollars or  
29 less, as the case may be, and that was not finally  
30 approved by the state historical preservation office,  
31 may be awarded under section 404A.3 during the fiscal  
32 years beginning on or after July 1, 2014, but before  
33 July 1, 2016.  
34    d. Tax credits awarded pursuant to this subsection  
35 shall not be considered for purposes of calculating the  
36 aggregate tax credit award limit in subsection 1.  
37     3. a. If during the fiscal year beginning July 1,  
38 2016, or any fiscal year thereafter, the department  
39 awards an amount of tax credits that is less than the  
40 maximum aggregate tax credit award limit specified  
41 in subsection 1, the difference between the amount  
42 so awarded and the amount specified in subsection 1,  
43 not to exceed ten percent of the amount specified in  
44 subsection 1, may be carried forward to the succeeding  
45 fiscal year and awarded during that fiscal year.  
46    b. Tax credits awarded pursuant to this subsection  
47 shall not be considered for purposes of calculating the  
48 aggregate tax credit award limit in subsection 1.  
49    Sec. 6. Section 404A.5, Code 2014, is amended to  
50 read as follows:

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1     **404A.5 Economic impact — recommendations.**

2     1. The department ~~of cultural affairs~~, in  
3 consultation with the department of revenue, shall be  
4 responsible for keeping the general assembly and the  
5 legislative services agency informed on the overall  
6 economic impact to the state of ~~the rehabilitation of~~  
7 ~~eligible properties~~ qualified rehabilitation projects.

8     2. An annual report shall be filed which shall  
9 include but is not limited to data on the number and  
10 potential value of qualified rehabilitation projects  
11 begun during the latest twelve-month period, the total  
12 historic preservation and cultural and entertainment  
13 district tax credits originally ~~granted~~ awarded or  
14 tax credit certificates originally issued during that  
15 period, the potential reduction in state tax revenues  
16 as a result of all awarded or issued tax credits still  
17 ~~unused~~ unclaimed and eligible for refund, and the  
18 potential increase in local property tax revenues as a  
19 result of the ~~rehabilitated~~ qualified rehabilitation  
20 projects.

21     3. The department ~~of cultural affairs~~, to the  
22 extent it is able, shall provide recommendations  
23 on whether a the limit on tax credits should be  
24 ~~established~~ changed, the need for a broader or more  
25 restrictive definition of ~~eligible property~~ qualified  
26 rehabilitation project, and other adjustments to the  
27 tax credits under this chapter.

28     Sec. 7. NEW SECTION. **404A.6 Rules.**

29     The department and the department of revenue shall  
30 each adopt rules to jointly administer this chapter.

31     Sec. 8. Section 422.11D, Code 2014, is amended by  
32 striking the section and inserting in lieu thereof the  
33 following:

34     **422.11D Historic preservation and cultural and**  
35 **entertainment district tax credit.**

36     The taxes imposed under this division, less  
37 the credits allowed under section 422.12, shall be  
38 reduced by a historic preservation and cultural and  
39 entertainment district tax credit allowed under section  
40 404A.2.

41     Sec. 9. Section 422.33, subsection 10, Code 2014,  
42 is amended by striking the subsection and inserting in  
43 lieu thereof the following:

44     10. The taxes imposed under this division shall be  
45 reduced by a historic preservation and cultural and  
46 entertainment district tax credit allowed under section  
47 404A.2.

48     Sec. 10. Section 422.60, subsection 4, Code 2014,  
49 is amended by striking the subsection and inserting in  
50 lieu thereof the following:

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1 4. The taxes imposed under this division shall be  
2 reduced by a historic preservation and cultural and  
3 entertainment district tax credit allowed under section  
4 404A.2.

5 Sec. 11. Section 432.12A, Code 2014, is amended by  
6 striking the section and inserting in lieu thereof the  
7 following:

8 **432.12A Historic preservation and cultural and**  
9 **entertainment district tax credit.**

10 The taxes imposed under this chapter shall be  
11 reduced by a historic preservation and cultural and  
12 entertainment district tax credit allowed under section  
13 404A.2.

14 Sec. 12. APPLICABILITY. Unless otherwise provided  
15 in this Act, this Act applies to agreements entered  
16 into by the department and an eligible taxpayer  
17 on or after the effective date of this Act, and  
18 rehabilitation projects for which a project application  
19 was approved and tax credits reserved prior to the  
20 effective date of this Act shall be governed by  
21 sections 404A.1 through 404A.5, Code 2014.>

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COMMITTEE ON WAYS AND MEANS  
JOE BOLKCOM, CHAIRPERSON



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House File 2463

S-5166

1 Amend House File 2463, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, line 22, by striking <10,606,066> and  
4 inserting <11,531,066>  
5 2. Page 1, line 23, by striking <28.00> and  
6 inserting <28.00 31.00>  
7 3. Page 3, line 1, by striking <subsection> and  
8 inserting <subsection section>  
9 4. Page 3, after line 4 by inserting:  
10 <7. Of the funds appropriated in this section,  
11 \$325,000 shall be used to fund the initial  
12 reestablishment of the office of substitute decision  
13 maker pursuant to chapter 231E.  
14 8. Of the funds appropriated in this section,  
15 \$600,000 shall be distributed equally to the area  
16 agencies on aging to administer the prevention of elder  
17 abuse, neglect, and exploitation program pursuant to  
18 section 231.56A, in accordance with the requirements  
19 of the federal Older Americans Act of 1965, 42 U.S.C.  
20 §3001 et seq., as amended.  
21 9. The department on aging shall form a study  
22 committee to analyze the meal programs coordinated  
23 through the area agencies on aging.>  
24 5. Page 3, line 19, by striking <821,707> and  
25 inserting <1,078,707>  
26 6. Page 3, line 20, by striking <13.00> and  
27 inserting <13.00>  
28 7. Page 3, line 21, by striking <11.00>  
29 8. Page 3, after line 27 by inserting:  
30 <3. Of the funds appropriated in this section,  
31 \$257,000 shall be used to provide two additional local  
32 long-term care ombudsmen to continue moving toward the  
33 national recommendation of one full-time equivalent  
34 paid staff ombudsman position per 2,000 long-term care  
35 beds in the state.>  
36 9. Page 4, line 9, by striking <27,088,690> and  
37 inserting <27,588,690>  
38 10. Page 4, line 12, by striking <5,073,361> and  
39 inserting <5,573,361>  
40 11. Page 8, after line 16 by inserting:  
41 <f. The department of public health shall  
42 initiate a committee supported by departmental staff  
43 who work with substance-related disorder providers  
44 to review reimbursement provisions applicable to  
45 substance-related disorder providers. The committee  
46 membership shall include the department of human  
47 services staff who work with the managed care  
48 organization responsible for substance-related  
49 disorder treatment under the department and for  
50 mental health treatment under the Medicaid program, a

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- 1 representative of the managed care organization, at  
2 least three providers of substance-related disorders  
3 designated by the Iowa behavioral health association,  
4 and other interests. The committee shall consider  
5 the adequacy of the reimbursement provisions, whether  
6 it is appropriate to rebase reimbursement, equity  
7 of the reimbursement provisions as compared to the  
8 reimbursement methodologies used for providers of  
9 similar behavioral health services, the effect of  
10 health coverage expansion through the Iowa health and  
11 wellness plan on such providers, and other issues. The  
12 committee shall report to the general assembly with  
13 findings and recommendations on or before December 15,  
14 2014.>  
15 12. Page 8, line 23, by striking <3,671,602> and  
16 inserting <4,346,962>  
17 13. Page 9, line 5, by striking <1,327,887> and  
18 inserting <1,927,887>  
19 14. Page 10, line 4, by striking <137,768> and  
20 inserting <162,768>  
21 15. Page 10, after line 31 by inserting:  
22 <j. In preparation for the completion of the  
23 youth and young adult suicide prevention program  
24 (Y-YASP) project funded through the federal Garrett Lee  
25 Smith youth suicide prevention grant awarded to the  
26 department of public health, the department of public  
27 health and the department of education shall submit  
28 recommendations based upon the foundation established  
29 by the project to establish a suicide prevention  
30 and trauma coordinator position in the department  
31 of education, to integrate suicide prevention and  
32 postvention and trauma-informed care model protocols  
33 into school district supports statewide, and to include  
34 evidence-based training on suicide prevention for  
35 appropriate school personnel, during the fiscal year  
36 beginning July 1, 2015. The departments shall submit  
37 their recommendations to the governor and the general  
38 assembly no later than December 15, 2014.  
39 k. Of the funds appropriated in this subsection,  
40 \$50,000 shall be used to support the Iowa effort to  
41 address the survey of children who experience adverse  
42 childhood experiences known as ACEs.>  
43 16. Page 11, line 2, by striking <5,040,692> and  
44 inserting <5,105,692>  
45 17. Page 11, by striking lines 14 through 16 and  
46 inserting <basis. Of the amount allocated in this  
47 paragraph, ~~\$47,500~~ \$95,000 shall be used to fund one  
48 full-time equivalent position to serve as the state  
49 brain injury service services program manager.>  
50 18. Page 12, line 32, by striking <175,263> and

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1 inserting <215,263>  
2 19. Page 12, after line 35 by inserting:  
3 <1. Of the funds appropriated in this subsection,  
4 \$25,000 shall be used for implementation of chapter  
5 124D, the Medical Cannabidiol Act, or other provision  
6 authorizing the compassionate medical use of  
7 cannabidiol, if enacted by the 2014 general assembly.>  
8 20. Page 13, line 6, by striking <9,284,436> and  
9 inserting <8,937,910>  
10 21. Page 15, by striking lines 30 through 33 and  
11 inserting:  
12 <(8) For continuation of the safety net provider  
13 patient access to a specialty health care initiative as  
14 described in 2007 Iowa Acts, chapter 218, section 109:  
15 ..... \$ 189,237  
16 378,474>  
17 22. Page 16, line 13, by striking <175,900> and  
18 inserting <313,400>  
19 23. Page 16, line 19, by striking <178,875> and  
20 inserting <316,375>  
21 24. Page 17, line 10, by striking <150,000> and  
22 inserting <250,000>  
23 25. Page 17, line 34, by striking <p.> and  
24 inserting <p. (1)>  
25 26. Page 18, after line 18 by inserting:  
26 <(2) The department of human services shall work  
27 with the Iowa collaborative safety net provider network  
28 and the Iowa primary care association to develop  
29 a long-term sustainability plan for the statewide  
30 regionally based network to provide the integrated  
31 approach to health care delivery as described in this  
32 lettered paragraph. The department shall pursue any  
33 appropriate payment mechanisms available such as a  
34 Medicaid program state plan amendment, Medicaid program  
35 waiver, state innovation model funding, or other  
36 funding through the centers for Medicare and Medicaid  
37 services of the United States department of health  
38 and human services to provide options for long-term  
39 sustainability by incorporating funding of the network  
40 into any such appropriate payment mechanism.>  
41 27. Page 18, line 20, by striking <3,000,000> and  
42 inserting <2,000,000>  
43 28. Page 18, by striking lines 25 through 30 and  
44 inserting <as specified in section 135.176.>  
45 29. Page 19, by striking lines 3 through 10.  
46 30. Page 20, line 4, by striking <3,420,027> and  
47 inserting <3,387,127>  
48 31. Page 20, line 7, by striking <454,700> and  
49 inserting <554,700>  
50 32. Page 20, by striking lines 33 and 34.

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1 33. By striking page 21, line 14, through page 22,  
2 line 13, and inserting:  
3 <Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section  
4 134, subsection 1, is amended to read as follows:  
5 1. DEPARTMENT OF VETERANS AFFAIRS ADMINISTRATION  
6 For salaries, support, maintenance, and  
7 miscellaneous purposes, and for not more than the  
8 following full-time equivalent positions:  
9 ..... \$ 546,754  
10 ..... 1,095,951  
11 ..... FTEs 13.00  
12 IOWA VETERANS HOME  
13 Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section 134,  
14 subsection 2, unnumbered paragraph 1, is amended to  
15 read as follows:  
16 For salaries, support, maintenance, and  
17 miscellaneous purposes:  
18 ..... \$ 3,762,857  
19 ..... 7,594,996  
20 Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section 134,  
21 subsection 2, is amended by adding the following new  
22 paragraph:  
23 NEW PARAGRAPH. e. The Iowa veterans home  
24 expenditure report shall be submitted monthly to the  
25 legislative services agency.  
26 Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section 134,  
27 subsection 3, is amended to read as follows:>  
28 34. By striking page 24, line 25, through page 25,  
29 line 32.  
30 35. Page 25, line 33, by striking <c.> and  
31 inserting <b.>  
32 36. Page 29, line 17, by striking <6,042,834> and  
33 inserting <6,217,834>  
34 37. Page 31, line 26, by striking <48,503,875> and  
35 inserting <48,763,875>  
36 38. Page 31, line 30, by striking <3,163,854> and  
37 inserting <3,338,854>  
38 39. Page 32, after line 31 by inserting:  
39 <4A. Of the funds appropriated in this section,  
40 \$10,000 shall be used by the organization specified in  
41 subsection 4 to evaluate the need to assist low-income  
42 Iowans in preparing tax returns for electronic filing.>  
43 40. Page 32, line 33, by striking <40,000> and  
44 inserting <115,000>  
45 41. Page 35, line 7, by striking <1,248,320,932>  
46 and inserting <1,243,567,577>  
47 42. Page 36, line 10, by striking <\$5,151,477> and  
48 inserting <\$7,451,376>  
49 43. Page 36, by striking lines 12 through 14 and  
50 inserting <community-based services waivers.>

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1 44. Page 36, after line 27 by inserting:  
2 <NEW SUBSECTION. 24. If authorized by the centers  
3 for Medicare and Medicaid services of the United States  
4 department of health and human services, the department  
5 of human services shall expand hospital presumptive  
6 eligibility as authorized under 42 C.F.R §435.1110, to  
7 include other provider types as qualified entities,  
8 including but not limited to federally qualified health  
9 centers, upon a center's or other entity's request.  
10 NEW SUBSECTION. 25. The department of human  
11 services shall adopt rules pursuant to chapter 17A to  
12 require or provide for all of the following relating  
13 to qualifications for disproportionate share hospital  
14 payments:  
15 a. That only hospitals, including those defined as  
16 a children's hospital, located in the state may qualify  
17 for disproportionate share hospital payments.  
18 b. That, if a hospital is defined as a children's  
19 hospital, the children's hospital may qualify for  
20 disproportionate share hospital payments if among  
21 other criteria the hospital is a member of, but is  
22 not required to be a voting member of, the children's  
23 hospital association.>  
24 45. Page 39, by striking lines 21 through 29.  
25 46. Page 40, line 4, by striking <45,622,828> and  
26 inserting <48,641,331>  
27 47. Page 40, line 6, by striking <37,903,401> and  
28 inserting <40,921,904>  
29 48. Page 42, after line 26 by inserting:  
30 <12. Of the funds appropriated in this section,  
31 \$100,000 is transferred to the department of public  
32 health to be used for a program to assist parents in  
33 this state with costs resulting from the death of a  
34 child in accordance with this subsection. If it is  
35 less costly than administering the program directly,  
36 the department shall issue a request for proposals  
37 and issue a grant to an appropriate organization to  
38 administer the program.  
39 a. The program funding shall be used to assist  
40 parents who reside in this state with costs incurred  
41 for a funeral, burial or cremation, cemetery costs, or  
42 grave marker costs associated with the unintended death  
43 of a child of the parent or a child under the care of a  
44 guardian or custodian. The department shall consider  
45 the following eligibility factors in developing program  
46 requirements:  
47 (1) The child was a stillborn infant or was less  
48 than age eighteen at the time of death.  
49 (2) The request for assistance was approved by  
50 the local board or department of health or the county

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1 general assistance director and may have been referred  
2 by a local funeral home.

3 (3) To be eligible, the parent, guardian, or  
4 custodian must have an annual household income that  
5 is less than 145 percent of the federal poverty level  
6 based on the number of people in the applicant's  
7 household as defined by the most recently revised  
8 poverty income guidelines published by the United  
9 States department of health and human services.

10 (4) The maximum amount of grant assistance provided  
11 to a parent, guardian, or custodian associated with the  
12 death of a child is \$2,000. If the death is a multiple  
13 death and the infants or children are being cremated,  
14 or buried together, the same limitation applies.

15 (5) To the extent the overall amount of assistance  
16 received by a recipient for the costs addressed under  
17 this subsection does not exceed the overall total of  
18 the costs, the recipient may receive other public or  
19 private assistance in addition to grant assistance  
20 under this section.

21 b. Notwithstanding section 8.33, moneys transferred  
22 by this subsection that remain unencumbered or  
23 unobligated at the close of the fiscal year shall not  
24 revert but shall remain available for expenditure for  
25 the purposes designated until expended.>

26 49. By striking page 42, line 27, through page 45,  
27 line 4, and inserting:

28 <Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section  
29 147, is amended to read as follows:

30 SEC. 147. JUVENILE INSTITUTIONS. There is  
31 appropriated from the general fund of the state to  
32 the department of human services for the fiscal year  
33 beginning July 1, 2014, and ending June 30, 2015, the  
34 following amounts, or so much thereof as is necessary,  
35 to be used for the purposes designated:

36 1. For operation of the Iowa juvenile home state  
37 training school for female juvenile delinquents at  
38 Toledo as enacted by this 2014 Iowa Act, to operate  
39 with a capacity of at least 20 beds and for salaries,  
40 support, maintenance, and miscellaneous purposes, and  
41 for not more than the following full-time equivalent  
42 positions:

43	.....	\$	4,429,678
44			7,087,766
45	..... FTEs		114.00
46			54.00

47 a. Of the funds appropriated in this subsection,  
48 up to \$2,000,000 may be used by the department for the  
49 placement costs of females and males adjudicated as a  
50 child in need of assistance that under prior law would

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1 have been placed at the Iowa juvenile home.  
2 b. By January 1, 2015, the department shall  
3 provide a report to the governor and the legislative  
4 services agency that includes a description of the  
5 status of juvenile delinquent girls in out-of-home  
6 placements during the period beginning December 1,  
7 2013, and ending December 1, 2014; identifies their  
8 placement histories; provides the reason for placement;  
9 provides a status report on educational services and  
10 treatment of youth at department facilities; and makes  
11 appropriate recommendations for legislation deemed  
12 necessary.  
13 c. Of the funds appropriated in this subsection,  
14 \$1,100,000 shall be used for follow-up services to  
15 support children who were placed at a state training  
16 school and remain under the jurisdiction of the state  
17 court and for expansion of the preparation for adult  
18 living program in accordance with section 234.46, in  
19 accordance with this 2014 Act.  
20 2. For operation of the state training school at  
21 Eldora and for salaries, support, maintenance, and  
22 miscellaneous purposes, and for not more than the  
23 following full-time equivalent positions:  
24 ..... \$ 5,628,485  
25 ..... 11,590,098  
26 ..... FTEs 164.30  
27 ..... 165.30  
28 Of the funds appropriated in this subsection,  
29 ~~\$45,575~~ \$91,150 shall be used for distribution  
30 to licensed classroom teachers at this and other  
31 institutions under the control of the department of  
32 human services based upon the average student yearly  
33 enrollment at each institution as determined by  
34 the department. Of the funds appropriated in this  
35 subsection, \$90,000 shall be used for the costs of  
36 implementing the youth council approach, known as  
37 achieving maximum potential, of providing a support  
38 network to males placed at the training school at  
39 Eldora and to females placed at the state training  
40 school at Toledo.  
41 3. A portion of the moneys appropriated in this  
42 section shall be used by the state training school  
43 and by the Iowa juvenile home schools for grants for  
44 adolescent pregnancy prevention activities at the  
45 institutions in the fiscal year beginning July 1,  
46 2014.>  
47 50. Page 45, line 15, by striking <95,535,703> and  
48 inserting <93,571,220>  
49 51. Page 45, line 32, by striking <36,967,216> and  
50 inserting <34,383,853>

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1 52. Page 49, line 23, by striking <520,150> and  
2 inserting <570,150>  
3 53. Page 49, line 30, by striking <62,708> and  
4 inserting <68,737>  
5 54. Page 49, line 33, by striking <125,682> and  
6 inserting <137,761>  
7 55. Page 50, line 1, by striking <195,892> and  
8 inserting <214,722>  
9 56. Page 50, line 4, by striking <67,934> and  
10 inserting <74,465>  
11 57. Page 50, line 7, by striking <67,934> and  
12 inserting <74,465>  
13 58. Page 51, line 32, by striking <110,000> and  
14 inserting <135,000>  
15 59. Page 52, line 6, by striking <\$160,000> and  
16 inserting <\$110,000>  
17 60. Page 52, after line 16 by inserting:  
18 <28. The department shall perform a review of the  
19 feasibility of and benefits associated with expanding  
20 foster care, kinship guardianships, and subsidized  
21 adoptions to be available on a voluntary basis to young  
22 adults who become age 18 while receiving child welfare  
23 services. The purpose of the review is to determine  
24 the extent to which the expansion is covered under the  
25 federal Fostering Connections to Success and Increasing  
26 Adoptions Act of 2008, Pub. L. No. 110-351, and would  
27 draw additional federal support under the Title IV-E  
28 of the federal Social Security Act, allow the state  
29 to expand the preparation for adult living program to  
30 additional young adults, and enhance the services and  
31 supports available under the program. The department  
32 shall engage national and state experts in structuring  
33 such programs under the federal fostering connections  
34 Act in addition to young persons with experience in the  
35 state's foster care system in performing the review.  
36 If the department determines the expansion can be  
37 implemented within existing state appropriations and  
38 produces additional benefits for the young adults who  
39 would be served under the expansion, the department may  
40 implement changes to expand the availability of foster  
41 care, kinship guardianships, and subsidized adoptions  
42 for eligible young adults who become age 21.  
43 29. Of the funds appropriated in this section,  
44 \$25,000 shall be used for the purposes of this  
45 subsection. The department shall staff and support  
46 a panel of Iowa child welfare experts and advocates  
47 to guide and oversee development of the publications  
48 enumerated in this subsection. The membership  
49 of the panel shall include but is not limited to  
50 representatives designated by the Middleton center for

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1 children's right at the Drake university legal clinic,  
2 disability rights Iowa, the foster care youth council  
3 program known as achieving maximum potential or AMP,  
4 the department's parent partners pilot program, the  
5 Iowa foster and adoptive parent association, the child  
6 and family policy center, youth & shelter services,  
7 inc., and the youth policy institute of Iowa. The  
8 panel shall seek additional support from national  
9 experts and technical assistance resources with  
10 experience in state efforts to improve child welfare  
11 systems with the types of approaches described by this  
12 subsection. The panel shall provide a preliminary  
13 report on or before October 1, 2014, to the general  
14 assembly and the governor, and a final report at a  
15 later date. The panel shall produce for distribution  
16 through the department the following documents:  
17     a. For general distribution to all families, a  
18 family rights guide to child protective services that  
19 describes what constitutes child abuse and neglect  
20 under Iowa law, the child abuse assessment process,  
21 the rights families have in that process to request  
22 services, and the rights and options such families  
23 have to make appeals and secure representation and  
24 support. At a minimum, the rights guide shall be  
25 translated into the four most common languages other  
26 than English spoken in Iowa by persons of limited  
27 English proficiency, and the department shall make  
28 available interpreters for persons of limited English  
29 proficiency in other languages to review the guide and  
30 its contents with families. Upon completion, the guide  
31 shall be provided to all families who are subject to a  
32 child abuse investigation.  
33     b. For distribution to children and families  
34 engaged processes which may lead to an adjudication  
35 under chapter 232 and foster care placement, a child  
36 and youth rights guide to foster care that expands upon  
37 the bill of rights created by AMP youth. The initial  
38 guide shall be directed to older youth ages 12 through  
39 17 and shall describe the foster care process and the  
40 rights children engaged in foster care processes have  
41 to services, representation, and support and to be  
42 heard in developing their permanency plans.>  
43     61. Page 58, line 20, by striking <16,304,602> and  
44 inserting <16,422,302>  
45     62. Page 58, line 26, by striking <\$132,300> and  
46 inserting <\$150,000>  
47     63. Page 59, before line 6 by inserting:  
48     <5B. Of the funds appropriated in this section,  
49 \$50,000 shall be used by the department of human  
50 services to contract with an independent researcher

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1 with expertise in both aging and disability population  
2 issues to evaluate the current provision of specialized  
3 services to individuals with a mental illness or an  
4 intellectual disability residing in nursing facilities  
5 in the state and develop a quality assurance model to  
6 ensure that nursing facility residents with a mental  
7 illness or an intellectual disability are receiving  
8 effective specialized services pursuant to the federal  
9 Nursing Home Reform Act. In evaluating the current  
10 provision of specialized services, the contractor  
11 shall select nursing facilities with higher than  
12 average numbers of residents with a mental illness  
13 or an intellectual disability. In evaluating the  
14 current specialized services the contractor shall  
15 determine whether the specialized services are  
16 individualized, provided in addition to basic nursing  
17 facility services, and appropriate to meet the needs  
18 of the individual to assist in transitioning to a  
19 less restrictive, more integrated environment. The  
20 contractor shall also determine whether the specialized  
21 services are included in the residents' plans of  
22 care; whether the specialized services were provided  
23 by a mental health or intellectual disabilities  
24 professional; the cost of and funding source for the  
25 specialized services; whether the specialized services  
26 were effective in treating or habilitating residents,  
27 improving the residents' level of functioning, and  
28 enhancing the residents' ability to live in the  
29 community with appropriate services and supports; how  
30 many residents for whom specialized services were  
31 provided were able to transition to a less restrictive  
32 placement; and the projected savings if residents  
33 received effective specialized services, avoided  
34 hospitalizations, and transitioned to living in less  
35 restrictive settings with appropriate services and  
36 supports. The department shall report the results  
37 of the evaluation and the proposed quality assurance  
38 model to the individuals designated by this Act for  
39 submission of reports by December 15, 2014.>

40 64. Page 59, by striking line 21 and inserting  
41 <exceed \$268,712,511 \$284,878,824. Of this amount, not  
42 more than \$2,000,000 shall be used for reimbursement  
43 of nursing facilities to supplement the shortfall  
44 attributable to the rebasing of nursing facility  
45 rates in accordance with this 2013 Act, section  
46 29, subsection 1, paragraph "a", subparagraph (2),  
47 beginning January 1, 2015.>

48 65. Page 59, after line 21 by inserting:  
49 <Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section  
50 159, subsection 1, paragraph a, is amended by adding

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1 the following new subparagraph:  
2 NEW SUBPARAGRAPH. (4) The department of  
3 human services shall release all retroactive rate  
4 determinations and payments within 90 days of receipt  
5 of approval from the centers for Medicare and Medicaid  
6 services of the United States department of health  
7 and human services and no later than March 31 of the  
8 calendar year that falls within the current fiscal year  
9 of the appropriation addressed by this paragraph "a".>  
10 66. Page 60, line 24, after <year> by inserting <as  
11 specified in subparagraph (5), as enacted in this 2014  
12 Act>  
13 67. Page 60, line 28, by striking <October 1, 2015>  
14 and inserting <January 1, 2015>  
15 68. Page 60, line 31, after <year> by inserting <as  
16 specified in subparagraph (5), as enacted by this 2014  
17 Act>  
18 69. Page 60, after line 31 by inserting:  
19 <Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section  
20 159, subsection 1, paragraph c, is amended by adding  
21 the following new subparagraph:  
22 NEW SUBPARAGRAPH. (5) Of the amount appropriated  
23 for the medical assistance program for the fiscal  
24 year, not more than \$3,000,000 shall be used for  
25 reimbursement of inpatient and outpatient hospital  
26 services attributable to rebasing as provided in  
27 subparagraphs (1) and (2).>  
28 70. Page 61, line 13, by striking <October 1, 2014>  
29 and inserting <2014 January 1, 2015>  
30 71. Page 61, after line 31 by inserting:  
31 <Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section  
32 159, subsection 1, paragraph q, is amended to read as  
33 follows:  
34 q. For the fiscal year beginning July 1, 2014,  
35 the reimbursement rate for emergency medical service  
36 providers shall be increased by 10 percent over the  
37 rate rates in effect on June 30, 2014.  
38 Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section 159,  
39 subsection 1, is amended by adding the following new  
40 paragraph:  
41 NEW PARAGRAPH. r. For the fiscal year  
42 beginning July 1, 2014, the reimbursement rate for  
43 ophthalmologists shall be increased by five percent  
44 over the rates in effect on June 30, 2014.>  
45 72. Page 62, line 13, after <subsection.> by  
46 inserting <Through December 31, 2014, the combined  
47 reimbursement rate shall remain at the rate in effect  
48 on June 30, 2014, and on January 1, 2015, shall be  
49 changed as provided in paragraph "b".>  
50 73. Page 62, lines 14 and 15, by striking <June 30>

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1 and inserting <December 31>  
2 74. Page 62, lines 18 and 19, by striking <for the  
3 fiscal year beginning July 1, 2014> and inserting <for  
4 the period beginning January 1, 2015, and ending June  
5 30, 2015>  
6 75. Page 66, line 6, after <APPROPRIATIONS> by  
7 inserting <AND OTHER PRIOR PROVISIONS>  
8 76. Page 66, after line 6 by inserting:  
9 <SAFETY NET — CARE COORDINATION  
10 Sec. \_\_\_\_\_. 2013 Iowa Acts, chapter 138, section  
11 3, subsection 4, paragraph p, is amended to read as  
12 follows:  
13 p. Of the funds appropriated in this section,  
14 \$1,158,150 is allocated to the Iowa collaborative  
15 safety net provider network established pursuant  
16 to section 135.153 to be used for the development  
17 and implementation of a statewide regionally based  
18 network to provide an integrated approach to health  
19 care delivery through care coordination that supports  
20 primary care providers and links patients with  
21 community resources necessary to empower patients in  
22 addressing biomedical and social determinants of health  
23 to improve health outcomes. The Iowa collaborative  
24 safety net provider network shall work in conjunction  
25 with the department of human services to align the  
26 integrated network with the health care delivery  
27 system model developed under the state innovation  
28 models initiative grant. The Iowa collaborative  
29 safety net provider network shall submit a progress  
30 report to the individuals designated in this Act for  
31 submission of reports by December 31, 2013, including  
32 progress in developing and implementing the network,  
33 how the funds were distributed and used in developing  
34 and implementing the network, and the remaining  
35 needs in developing and implementing the network.  
36 Notwithstanding section 8.33, moneys allocated in this  
37 paragraph that remain unencumbered or unobligated at  
38 the close of the fiscal year shall not revert but shall  
39 remain available for expenditure for the purposes  
40 designated until the close of the succeeding fiscal  
41 year.>  
42 77. Page 66, by striking lines 7 through 21.  
43 78. Page 69, line 15, after <this section> by  
44 inserting <, and subject to the Medicaid offset  
45 amendments in section 426B.3, subsection 5, as amended  
46 by this division of this 2014 Act>  
47 79. Page 70, line 27, after <section> by inserting  
48 <, and subject to the Medicaid offset amendments  
49 in section 426B.3, subsection 5, as amended by this  
50 division of this 2014 Act>

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1 80. Page 71, line 7, after <division.> by inserting  
2 <The protocols and program models shall not include  
3 provisions that would interfere with the ability  
4 of any mental health and disability services region  
5 approved under section 331.389 operating as an  
6 employment network for the federal social security  
7 administration's ticket to work program for persons  
8 with disabilities to collect any milestone or outcome  
9 payments.>  
10 81. Page 71, after line 13 by inserting:  
11 <Sec. \_\_\_\_\_. PROVISIONAL REGIONALIZATION  
12 AUTHORIZATION.  
13 1. During the time period beginning on the  
14 effective date of this section and ending June 30,  
15 2015, upon receiving an application from Mahaska and  
16 Marion counties, the director of human services may  
17 authorize the counties to form and operate a mental  
18 health and disability services region on a provisional  
19 basis for up to 12 months in accordance with this  
20 section.  
21 2. Unless the director grants an exception to  
22 policy allowing the counties and their region,  
23 during the provisional operation time period, to  
24 meet a requirement through an alternative means, the  
25 counties and their region shall comply with all of  
26 the requirements applicable to a mental health and  
27 disability services region under chapter 331 and other  
28 law applicable to regions.  
29 3. Prior to the end of the provisional operation  
30 time period, the director may reauthorize on a one-time  
31 basis the region to operate provisionally for an  
32 additional time period of up to 12 months.  
33 4. If the director determines the two counties  
34 and their region are not in compliance with the  
35 requirements under subsection 2 during any provisional  
36 operation time period and that compliance will not be  
37 achieved through a corrective action plan, the director  
38 may assign each county to a region contiguous to the  
39 county. The region assigned shall amend its chapter  
40 28E agreement and other operating requirements and  
41 policies to accept the assigned county.>  
42 82. By striking page 71, line 14, through page 72,  
43 line 2.  
44 83. Page 72, by striking lines 3 through 22.  
45 84. Page 72, before line 23 by inserting:  
46 <Sec. \_\_\_\_\_. Section 230.1, subsection 1, Code 2014,  
47 is amended to read as follows:  
48 1. The necessary and legal costs and expenses  
49 attending the taking into custody, care, investigation,  
50 admission, commitment, and support of a person with

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1 mental illness admitted or committed to a state  
2 hospital shall be paid by a county or by the state as  
3 follows:  
4     a. If the person is eighteen years of age or older,  
5 as follows:  
6         (1) The costs attributed to mental illness shall  
7 be paid by the regional administrator on behalf of the  
8 person's county of residence.  
9         (2) The costs attributed to a substance-related  
10 disorder shall be paid by the person's county of  
11 residence.  
12         (3) The costs attributable to a dual diagnosis of  
13 mental illness and a substance-related disorder may be  
14 split as provided in section 226.9C.  
15     b. By the state as a state case if such person has  
16 no residence in this state, if the person's residence  
17 is unknown, or if the person is under eighteen years  
18 of age.>  
19     85. Page 73, by striking lines 1 through 6 and  
20 inserting <anticipated, the regional administrator  
21 shall reserve an adequate amount for cash flow of  
22 expenditure obligations in the first quarter of the  
23 next fiscal year. Residual funding remaining after the  
24 cash>  
25     86. Page 73, after line 10 by inserting:  
26     <Sec. \_\_\_\_\_. Section 331.393, subsection 2, Code  
27 2014, is amended by adding the following new paragraph:  
28     NEW PARAGRAPH. h. The financial eligibility  
29 requirements for service under the regional service  
30 system. A plan that otherwise incorporates the  
31 financial eligibility requirements of section 331.395  
32 but allows eligibility for persons with income above  
33 one hundred fifty percent of the federal poverty  
34 level as described in section 331.395, subsection 2,  
35 paragraph "b", or for persons with resources above  
36 the minimum resource limitations adopted pursuant to  
37 section 331.395, subsection 1, paragraph "c", shall  
38 be deemed by the department to be in compliance with  
39 financial eligibility requirements of section 331.395.>  
40     87. Page 73, by striking lines 22 through 25 and  
41 inserting <county services fund to address cash flow  
42 of expenditure obligations in the first quarter of the  
43 next fiscal year. The cash>  
44     88. Page 74, by striking lines 22 and 23 and  
45 inserting:  
46     <Sec. \_\_\_\_\_. Section 426B.3, subsection 5, paragraph  
47 a, Code 2014, is amended to read as follows:  
48     a. For the purposes of this subsection, "Medicaid  
49 offset amount" means the projected amount for a fiscal  
50 year that would have been paid from a county's services

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1 fund for those services for ~~persons~~ individuals  
2 eligible under the county's approved service management  
3 plan that would be non-Medicaid services, but due to  
4 the ~~persons'~~ individuals' enrollment in the Iowa health  
5 and wellness plan established under chapter 249N, those  
6 services are instead covered under chapter 249N.>  
7 89. Page 74, by striking line 24 and inserting:  
8 <b. For the fiscal year beginning July 1, 2013  
9 2014, and>  
10 90. Page 75, by striking lines 14 through 26 and  
11 inserting:  
12 <Sec. \_\_\_\_\_. Section 426B.3, subsection 5, paragraph  
13 c, Code 2014, is amended by striking the paragraph.>  
14 91. Page 76, after line 15 by inserting:  
15 <Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. The following  
16 provisions of this division of this Act, being deemed  
17 of immediate importance, take effect upon enactment:  
18 1. The section providing a provisional  
19 regionalization authorization.  
20 2. The section amending 2013 Iowa Acts, chapter  
21 136, section 11.>  
22 92. Page 76, after line 21 by inserting:  
23 <Sec. \_\_\_\_\_. Section 249A.4, subsection 10, Code  
24 2014, is amended by adding the following new paragraph:  
25 NEW PARAGRAPH. c. (1) A nursing facility that  
26 utilizes the supplementation option and receives  
27 supplementation under this subsection during any  
28 calendar year, shall report to the department of  
29 human services, annually, by January 15, the following  
30 information for the preceding calendar year:  
31 (a) The total number of nursing facility beds  
32 available at the nursing facility, the number of such  
33 beds available in private rooms, and the number of such  
34 beds available in other types of rooms.  
35 (b) The average occupancy rate of the facility on  
36 a monthly basis.  
37 (c) The total number of residents for which  
38 supplementation was utilized.  
39 (d) The average private pay charge for a private  
40 room in the nursing facility.  
41 (e) For each resident for whom supplementation  
42 was utilized, the total charge to the resident for  
43 the private room, the portion of the total charge  
44 reimbursed under the Medicaid program, and the total  
45 charge reimbursed through supplementation.  
46 (2) The department shall compile the information  
47 received and shall submit the compilation to the  
48 general assembly, annually by February 15.>  
49 93. Page 76, after line 23 by inserting:  
50 <Sec. \_\_\_\_\_. NEW SECTION. 35D.7A Supplemental

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1 stipend.

2 In addition to any amount otherwise retained by or  
3 provided as a personal needs allowance to a member or  
4 a member's spouse under this chapter, a member and  
5 the member's spouse, if applicable, shall receive a  
6 supplemental stipend of thirty dollars per month. The  
7 supplemental stipend shall not be treated as income of  
8 the resident for purposes of medical assistance program  
9 eligibility or client participation.

10 Sec. \_\_\_\_\_. NEW SECTION. 249A.4C Medicaid program  
11 state plan amendments and waivers — prior approval.

12 A Medicaid program state plan amendment or waiver  
13 request shall not be submitted for federal approval  
14 to the centers for Medicare and Medicaid services  
15 of the United States department of health and human  
16 services unless prior direction or approval is provided  
17 by an enactment of the general assembly. Following  
18 submission of any such state plan amendment or waiver  
19 request, the department shall regularly and upon  
20 request of the chairpersons or ranking members of the  
21 joint appropriations subcommittee on health and human  
22 services, provide progress reports to the chairpersons  
23 and ranking members of the joint appropriations  
24 subcommittee on health and human services, the  
25 legislative services agency and the legislative  
26 caucus staffs, regarding the status of the state plan  
27 amendment or waiver.>

28 94. Page 76, by striking lines 24 through 31.

29 95. Page 76, before line 32 by inserting:

30 <Sec. \_\_\_\_\_. NEW SECTION. 514I.13 State plan  
31 amendments and waivers — prior approval.

32 The department shall not submit a state plan  
33 amendment or waiver request pursuant to this chapter  
34 to the centers for Medicare and Medicaid services  
35 of the United States department of health and human  
36 services for federal approval unless prior direction  
37 or approval is provided by an enactment of the general  
38 assembly. Following submission of any such state plan  
39 amendment or waiver request, the department shall  
40 regularly and upon request of a chairperson or ranking  
41 member of the joint appropriations subcommittee on  
42 health and human services, provide progress reports  
43 to the chairpersons and ranking members of the joint  
44 appropriations subcommittee on health and human  
45 services, the legislative services agency and the  
46 legislative caucus staffs, regarding the status of the  
47 state plan amendment or waiver.

48 Sec. \_\_\_\_\_. FREE PARKING OPTIONS — CHILDREN WITH  
49 CHRONIC CONDITIONS. The university of Iowa hospitals  
50 and clinics shall develop and implement by October 1,

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1 2014, a free parking option for the use by families of  
2 children who are admitted to the hospital for extended  
3 periods of time or who visit the hospital routinely for  
4 treatment for cancer or other chronic conditions. The  
5 option may provide for assignment of one free visitor  
6 parking pass to the child for use by the family as  
7 the family deems appropriate, validation of parking  
8 tickets, provision of a reserved lot in close proximity  
9 to the hospital and easily accessible on foot, or  
10 issuance of parking passes valid in the hospital  
11 parking area.

12 Sec. \_\_\_\_ CHILD WELFARE SERVICES COMMISSION.

13 1. A child welfare services commission is created  
14 under the authority of the legislative council.

15 2. The commission membership shall include the  
16 following persons:

17 a. The director of human services or the director's  
18 designee.

19 b. The administrator of child welfare programs  
20 under the department of human services or the  
21 administrator's designee.

22 c. The administrator of the division of criminal  
23 and juvenile justice planning in the department of  
24 human rights or the administrator's designee.

25 d. The administrator of the child advocacy board  
26 in the department of inspections and appeals or the  
27 administrator's designee.

28 e. The chief justice of the supreme court or the  
29 chief justice's designee.

30 f. The director of the department of education or  
31 the director's designee.

32 g. The executive director of the Iowa foster and  
33 adoptive parent association or the executive director's  
34 designee.

35 h. The executive director of the coalition for  
36 family and children's services in Iowa or the executive  
37 director's designee.

38 i. The presiding officer of the Iowa juvenile  
39 court services association or the presiding officer's  
40 designee.

41 j. The director of the child health specialty  
42 clinics at the university of Iowa or the director's  
43 designee.

44 k. A youth member of the achieving maximum  
45 potential program designated by the program's director.

46 l. The director of the child and family policy  
47 center or the director's designee.

48 m. Members of the general assembly appointed by the  
49 legislative council.

50 n. Other persons designated by the legislative

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1 council.  
2 3. In addition to the legislative services agency,  
3 the legislative council may employ or contract with a  
4 person or persons to assist the commission in carrying  
5 out its duties.  
6 4. The commission shall perform the following  
7 duties:  
8 a. Review the array of child welfare services in  
9 the state.  
10 b. Identify options for improving the coordination  
11 and collaboration between the public and private  
12 entities involved with child welfare services.  
13 c. Direct special attention to children's mental  
14 and behavioral health services.  
15 d. Identify policies to support the growth and  
16 expansion of community-based pediatric integrated  
17 health homes.  
18 e. Identify options to support continuous  
19 improvement of pediatric mental health services and  
20 innovation by service providers of such services at the  
21 state and community levels.  
22 f. Consider proposals for creation of a center of  
23 collaborative children's mental and behavioral health  
24 services.  
25 g. Evaluate the adequacy of the public funding of  
26 child welfare services and identify options to address  
27 shortfalls and for shifting resources.  
28 5. Of the amount appropriated in this 2014 Iowa  
29 Act to the department of human services for general  
30 administration for the fiscal year beginning July  
31 1, 2014, and ending June 30, 2014, \$50,000 shall be  
32 transferred to the legislative services agency to  
33 be used for the child welfare services commission in  
34 accordance with this section.  
35 6. The commission shall submit a final report  
36 with findings and recommendations to the governor and  
37 general assembly for action in the 2015 legislative  
38 session.>  
39 96. By striking page 76, line 32, through page 77,  
40 line 21.  
41 97. Page 78, line 14, after <limited> by inserting  
42 <to>  
43 98. Page 78, after line 26 by inserting:  
44 <STATE CHILD CARE ASSISTANCE  
45 Sec. \_\_\_\_\_. Section 237A.13, subsection 7, paragraphs  
46 a and c, Code 2014, are amended to read as follows:  
47 a. Families with an income at or below one hundred  
48 percent of the federal poverty level whose members ~~are~~  
49 employed, for at least twenty-eight hours per week in  
50 the aggregate, are employed or are participating at a

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1 satisfactory level in an approved training program or  
2 educational program, and parents with a family income  
3 at or below one hundred percent of the federal poverty  
4 level who are under the age of twenty-one years and are  
5 participating in an educational program leading to a  
6 high school diploma or the equivalent.

7 c. Families with an income of more than one hundred  
8 percent but not more than one hundred forty-five  
9 percent of the federal poverty level whose members are  
10 employed, for at least twenty-eight hours per week in  
11 the aggregate, are employed or are participating at a  
12 satisfactory level in an approved training program or  
13 educational program.

14 Sec. \_\_\_\_. Section 237A.13, subsection 8, Code 2014,  
15 is amended to read as follows:

16 8. Nothing in this section shall be construed  
17 as or is intended as, or shall imply, a grant of  
18 entitlement for services to persons who are eligible  
19 for assistance due to an income level or other  
20 eligibility circumstance addressed in this section.  
21 Any state obligation to provide services pursuant to  
22 this section is limited to the extent of the funds  
23 appropriated for the purposes of state child care  
24 assistance. The department shall not redetermine the  
25 eligibility of a program participant more frequently  
26 than every twelve months.

27 Sec. \_\_\_\_. STATE CHILD CARE ASSISTANCE APPLICATIONS  
28 — INFORMATION TECHNOLOGY.

29 1. The department of human services shall review  
30 the application form and other elements of the process  
31 used by applicants to apply for the state child care  
32 assistance program. The purpose of the review is to  
33 simplify the process by eliminating requirements to  
34 provide unneeded or redundant information and improving  
35 the wording of the application, and identifying other  
36 options for improvement. The department shall report  
37 the results of the review to the governor and general  
38 assembly on or before December 1, 2014.

39 2. The department shall implement an application  
40 process enhancement so that applicants for the state  
41 child care assistance program may apply for the program  
42 using information technology devices.

43 Sec. \_\_\_\_. IMPLEMENTATION. The department of human  
44 services shall adopt rules and take other actions as  
45 necessary to implement, as state child care assistance  
46 program eligibility provisions, the amendments to  
47 section 237A.13 in this division of this Act, on July  
48 1, 2014.>

49 99. Page 90, after line 2 by inserting:

50 <DIVISION \_\_\_\_

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1 STATE TRAINING SCHOOLS — EDUCATION  
2 Sec. \_\_\_\_\_. LEGISLATIVE FINDINGS. The general  
3 assembly finds there is a need to improve the system  
4 to meet the needs of children who have committed  
5 a delinquent act, have been abused, neglected, or  
6 subjected to trauma, or have other significant needs  
7 that put the safety of the children or the public at  
8 risk. The areas for system improvement include but are  
9 not limited to all of the following:  
10 1. Providing equity in the services available for  
11 both the male and female children involved in the  
12 system.  
13 2. Providing appropriate safeguards to ensure  
14 children in placements are safe and getting their needs  
15 met.  
16 3. Ensuring that education and training services  
17 meet state and federal requirements and prepare the  
18 children for long-term success.  
19 4. Engaging children in services after an  
20 out-of-home placement to prevent the need for placement  
21 from reoccurring.  
22 5. Providing an effective system to support  
23 children when they attain adulthood in order to prevent  
24 their engagement with the adult criminal justice  
25 system.  
26 Sec. \_\_\_\_\_. IMPLEMENTATION.  
27 1. As the level of service for juvenile delinquent  
28 females provided for in this Act does not currently  
29 exist in the state and represents a gap in the  
30 continuum of care for juvenile females, reopening, and  
31 making necessary changes in the facilities of the Iowa  
32 juvenile home of Toledo provides the best means of  
33 expeditiously fulfilling the duties outlined in section  
34 233B.1, as enacted by this Act.  
35 2. In reopening the facility at Toledo as the  
36 state training school for juvenile delinquent females  
37 in accordance with this division of this Act, the  
38 department of human services shall phase in the  
39 following provisions as follows:  
40 a. The department of human services shall begin  
41 implementation of the requirements for the two state  
42 training schools to be accredited as secure juvenile  
43 correctional facilities and to comply with other  
44 regulatory requirements in accordance with section  
45 233A.1, subsection 7, and section 233B.1, subsection  
46 7, upon enactment of this Act and shall complete the  
47 correctional association accreditation by June 30,  
48 2017. The department shall propose a schedule to the  
49 governor and general assembly on or before December  
50 15, 2014, for compliance with the other regulatory

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1 requirements.

2 b. Education services in accordance with section  
3 282.33, as amended by this division of this Act, shall  
4 be developed by the close of the fiscal year beginning  
5 July 1, 2014, in conjunction with the department of  
6 education, affected area education agencies, affected  
7 school districts, and other stakeholders.

8 Sec. \_\_\_\_\_. Section 232.2, subsection 22, paragraph  
9 b, subparagraph (3), Code 2014, is amended to read as  
10 follows:

11 (3) Visiting the home, residence, or both home and  
12 residence of the child and any prospective home or  
13 residence of the child, including each time placement  
14 is changed. A child in a placement other than with  
15 the child's parent shall be visited at the placement  
16 at least quarterly.

17 Sec. \_\_\_\_\_. Section 232.2, Code 2014, is amended by  
18 adding the following new subsection:

19 NEW SUBSECTION. 54A. *"State training school"*  
20 means the state training school for female juvenile  
21 delinquents at Toledo maintained in accordance with  
22 chapter 233B or the state training school for male  
23 juvenile delinquents at Eldora maintained in accordance  
24 with chapter 233A.

25 Sec. \_\_\_\_\_. Section 232.49, subsection 2, Code 2014,  
26 is amended to read as follows:

27 2. When possible an examination shall be conducted  
28 on an outpatient basis, but the court may, if it deems  
29 necessary, commit the child to a state training school  
30 or to a suitable hospital, facility, or institution for  
31 the purpose of examination. Commitment for examination  
32 shall not exceed thirty days and the civil commitment  
33 provisions of chapter 229 shall not apply.

34 Sec. \_\_\_\_\_. Section 232.49, subsection 3, paragraph  
35 b, Code 2014, is amended to read as follows:

36 b. An examination shall be conducted on an  
37 outpatient basis unless the court, the child's counsel,  
38 and the parent, guardian, or custodian agree that  
39 it is necessary the child be committed to a state  
40 training school or to a suitable hospital, facility, or  
41 institution for the purpose of examination. Commitment  
42 for examination shall not exceed thirty days and the  
43 civil commitment provisions of chapter 229 shall not  
44 apply.

45 Sec. \_\_\_\_\_. Section 232.52, subsection 7, Code 2014,  
46 is amended by adding the following new paragraph:

47 NEW PARAGRAPH. *Ob.* When the court orders the  
48 transfer of legal custody of a child pursuant to  
49 subsection 2, paragraph *"d"*, *"e"*, or *"f"*, the child's  
50 attorney shall visit the child at the child's placement

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1 at least quarterly.  
2 Sec. \_\_\_\_\_. Section 232.102, subsections 3 and 4,  
3 Code 2014, are amended by striking the subsections.  
4 Sec. \_\_\_\_\_. Section 232.103, subsection 7, Code 2014,  
5 is amended by striking the subsection.  
6 Sec. \_\_\_\_\_. Section 233A.1, Code 2014, is amended to  
7 read as follows:  
8 **233A.1 State training school — ~~Eldora and Toledo.~~**  
9 1. For the purposes of this chapter, unless the  
10 context otherwise requires:  
11 a. "Department" means the department of human  
12 services.  
13 b. "Director" means the director of human services.  
14 c. "State training school" means the state training  
15 school for male juvenile delinquents at Eldora.  
16 d. "Superintendent" means the superintendent of the  
17 state training school for male juvenile delinquents.  
18 ~~1. 2. Effective January 1, 1992, a A diagnosis~~  
19 ~~and evaluation center and other units are established~~  
20 ~~at Eldora and shall be operated, maintained, and~~  
21 ~~staffed by the department to provide to male juvenile~~  
22 ~~delinquents a program which focuses upon appropriate~~  
23 ~~developmental skills, treatment, placements, and~~  
24 ~~rehabilitation.~~  
25 ~~2. The diagnosis and evaluation center which is~~  
26 ~~used to identify appropriate treatment and placement~~  
27 ~~alternatives for juveniles and any other units for~~  
28 ~~juvenile delinquents which are located at Eldora and~~  
29 ~~the unit for juvenile delinquents at Toledo shall~~  
30 ~~together be known as the "state training school". For~~  
31 ~~the purposes of this chapter "director" means the~~  
32 ~~director of human services and "superintendent" means~~  
33 ~~the administrator in charge of the diagnosis and~~  
34 ~~evaluation center for juvenile delinquents and other~~  
35 ~~units at Eldora and the unit for juvenile delinquents~~  
36 ~~at Toledo.~~  
37 3. The number of children present at any one time  
38 at the state training school at Eldora shall not exceed  
39 the population guidelines established under 1990  
40 Iowa Acts, chapter 1239, section 21, as adjusted for  
41 subsequent changes in the capacity at the training  
42 school.  
43 4. Each child placed at the state training school  
44 and any other child receiving an examination at the  
45 state training school by order of the court shall  
46 receive a written plan for services. The plan for  
47 services provided by the state training school to  
48 a child shall identify any physical, emotional,  
49 intellectual, behavioral, or mental health disorder or  
50 condition affecting the child and recommend treatment

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1 to address the disorder or condition, identify  
2 any substance-related disorder of the child or the  
3 child's family and recommend treatment to address the  
4 disorder, and assess the child's educational status and  
5 recommend action to address any identified educational  
6 deficiency, and for follow-up services, identify  
7 specific public and private service providers with the  
8 capacity to meet the child's needs. A copy of the plan  
9 for services and any subsequent amendment to the plan  
10 shall be submitted to the child, the child's attorney,  
11 and the juvenile court.

12 5. The state training school shall facilitate  
13 the provision of follow-up services to children, who  
14 received placement services at the state training  
15 school and who remain under the jurisdiction of the  
16 juvenile court, as necessary to meet the long-term  
17 needs of the children as they age into adulthood. The  
18 plan for follow-up services shall be developed with  
19 the child in conjunction with juvenile court services  
20 and the child's attorney. The provision of follow-up  
21 services for children who remain under the jurisdiction  
22 of the juvenile court is subject to approval by the  
23 juvenile court. Follow-up services shall be provided  
24 to support children who are discharged from the state  
25 training school during the period beginning twelve  
26 months prior to the children becoming age eighteen and  
27 ending on the day prior to the children becoming age  
28 eighteen who do not remain under the jurisdiction of  
29 the juvenile court. In addition, follow-up services  
30 shall be made available to children discharged from the  
31 school at any age upon or after the children become age  
32 eighteen and continuing until at least age twenty-one.

33 6. For any child placed at the state training  
34 school, the school shall provide a written plan  
35 regarding the placement status of the child on or about  
36 the time the child becomes age eighteen. The plan  
37 shall, while giving consideration to the treatment  
38 needs of the child, also give consideration to the  
39 long-term needs of the child upon becoming age eighteen  
40 including needs for vocational training or higher  
41 education. Given these considerations, the plan shall  
42 identify placement options to meet the child's needs  
43 that will not negatively affect the child's adult  
44 eligibility for assistance provided with federal  
45 financial participation. The assistance addressed  
46 shall include but is not limited to the preparation  
47 for adult living program under section 234.46, the  
48 medical assistance program, the Iowa aftercare services  
49 network, the federal educational and training vouchers  
50 program for youths aging out of foster care, and the

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1 federal job corps program.

2 7. The department shall cause the state training  
3 school to be accredited as a secure juvenile  
4 correctional facility by the American correctional  
5 association, to meet the standards adopted by the  
6 department for approval of a juvenile detention home,  
7 and to meet applicable standards for programs providing  
8 residential services for children paid for by a managed  
9 care or prepaid services contract under the medical  
10 assistance program. The standards applied in addition  
11 to the American correctional association accreditation  
12 requirements shall include but are not limited to the  
13 minimum qualifications of staff. The standards and  
14 sanctions for noncompliance shall be identified in  
15 conjunction with the department of inspections and  
16 appeals and experts who are not employed by or under  
17 contract with the department. A regular assessment  
18 of compliance with the standards shall be performed  
19 by the department of inspections and appeals and that  
20 department shall submit a report on each assessment to  
21 the governor and general assembly.

22 8. The director and the superintendent for the  
23 state training school shall provide on an ongoing  
24 basis for the school's programs, facilities, and  
25 services, and for the training of staff in order to  
26 apply evidence-based practices and other recognized  
27 contemporary approaches to ensure that the care  
28 for the children served by the school is of high  
29 quality. The director's and superintendent's efforts  
30 and recommendations to comply with this requirement  
31 shall be documented in the annual budget and financial  
32 reporting submitted to the governor and the general  
33 assembly.

34 Sec. \_\_\_\_. Section 233A.4, Code 2014, is amended to  
35 read as follows:

36 **233A.4 Education and training.**

37 The state training school shall provide a positive  
38 living experience for older juveniles who require  
39 secure custody and who live at the state training  
40 school for an extended period of time. The education  
41 and training programs provided to the juveniles shall  
42 reflect the age level and extended period of stay by  
43 focusing upon appropriate developmental skills to  
44 prepare the juveniles for productive living. The  
45 education services provided to the children placed  
46 at the state training school shall be provided in  
47 accordance with section 282.33.

48 Sec. \_\_\_\_. Section 233B.1, Code 2014, is amended to  
49 read as follows:

50 **233B.1 Definitions — purpose — services —**

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1 population limit.  
2 1. For the purpose of this chapter, unless the  
3 context otherwise requires:  
4 a. "Department" means the department of human  
5 services.  
6 a. b. "Administrator" or "director" "Director"  
7 means the director of the department of human services.  
8 b. c. "Home" "State training school" means the Iowa  
9 juvenile home state training school for female juvenile  
10 delinquents at Toledo maintained in accordance with  
11 this chapter.  
12 c. d. "Superintendent" means the superintendent of  
13 the Iowa juvenile home state training school for female  
14 juvenile delinquents.  
15 2. The Iowa juvenile home state training school  
16 for female juvenile delinquents shall be operated,  
17 maintained for the purpose of providing care, custody,  
18 and education of the children committed to the  
19 home. The children shall be wards of the state. The  
20 children's education shall embrace instruction in  
21 the common school branches and in such other higher  
22 branches as may be practical and will enable the  
23 children to gain useful and self-sustaining employment.  
24 The administrator and the superintendent of the home  
25 shall assist all discharged children in securing  
26 suitable homes and proper employment, and staffed  
27 by the department of human services to do all of the  
28 following for female residents of this state:  
29 3. The number of children present at any one  
30 time at the Iowa juvenile home shall not exceed the  
31 population guidelines established under 1990 Iowa Acts,  
32 chapter 1239, section 21, as adjusted for subsequent  
33 changes in the capacity at the home.  
34 a. Provide gender-responsive services to female  
35 children less than age eighteen who have been  
36 adjudicated under chapter 232 as delinquent and placed  
37 at the state training school in accordance with a court  
38 order.  
39 b. If provided for by the children's education  
40 plans, allow for continued placement at the state  
41 training school for female children who were placed  
42 at the state training school under paragraph "a"  
43 upon the children becoming adults. The purpose of  
44 continued placement is for completion of high school  
45 education requirements identified in the education  
46 plans developed by the provider of educational services  
47 for the children.  
48 c. Facilitate the provision of follow-up services  
49 to children who received placement services at  
50 the state training school and who remain under the

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1 jurisdiction of the juvenile court, as necessary  
2 to meet the long-term needs of the children as they  
3 age into adulthood. The plan for follow-up services  
4 shall be developed with the child in conjunction with  
5 juvenile court services and the child's attorney.  
6 The provision of follow-up services for children who  
7 remain under the jurisdiction of the juvenile court is  
8 subject to approval by the juvenile court. Follow-up  
9 services shall be provided to support children who are  
10 discharged from the state training school during the  
11 period beginning twelve months prior to the children  
12 becoming age eighteen and ending on the day prior to  
13 the children becoming age eighteen who do not remain  
14 under the jurisdiction of the juvenile court. In  
15 addition, follow-up services shall be made available to  
16 children discharged from the state training school at  
17 any age upon or after the children become age eighteen  
18 and continuing until at least age twenty-one.  
19 3. Each child placed at the state training school  
20 and any other child receiving an examination at the  
21 state training school by order of the court shall  
22 receive a written plan for services. The plan for  
23 services provided by the state training school to  
24 a child shall identify any physical, emotional,  
25 intellectual, behavioral, or mental health disorder or  
26 condition affecting the child and recommend treatment  
27 to address the disorder or condition, identify  
28 any substance-related disorder of the child or the  
29 child's family and recommend treatment to address the  
30 disorder, and assess the child's educational status and  
31 recommend action to address any identified educational  
32 deficiency, and for follow-up services, identify  
33 specific public and private service providers with the  
34 capacity to meet the child's needs. A copy of the plan  
35 for services and any subsequent amendment to the plan  
36 shall be submitted to the child, the child's attorney,  
37 and the juvenile court.  
38 4. For any child placed at the state training  
39 school, the state training school shall provide a  
40 written plan regarding the placement status of the  
41 child on or about the time the child becomes age  
42 eighteen. The plan shall, while giving consideration  
43 to the treatment needs of the child, also give  
44 consideration to the long-term needs of the child  
45 upon becoming age eighteen, including needs for  
46 vocational training or higher education. Given these  
47 considerations, the plan shall identify placement  
48 options to meet the child's needs that will not  
49 negatively affect the child's eligibility as an adult  
50 for assistance provided through federal financial

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1 participation. The assistance addressed shall include  
2 but is not limited to the preparation for adult living  
3 program under section 234.46, the medical assistance  
4 program, the Iowa aftercare services network, the  
5 federal educational and training vouchers program for  
6 youths aging out of foster care, and the federal job  
7 corps program.

8 5. The department of human services and the  
9 representatives of juvenile court services shall  
10 annually recommend a desired capacity for the state  
11 training school in the succeeding fiscal year to the  
12 governor and general assembly no later than December  
13 15. The capacity of the state training school for a  
14 fiscal year shall be specified in the appropriations  
15 for the school.

16 6. The education services provided to the children  
17 placed at the state training school shall be provided  
18 in accordance with section 282.33.

19 7. The department shall cause the state training  
20 school to be accredited as a secure juvenile  
21 correctional facility by the American correctional  
22 association, to meet the standards adopted by the  
23 department for approval of a juvenile detention  
24 home, and to meet applicable standards for programs  
25 providing residential services for children paid for  
26 by a managed care or prepaid services contract under  
27 the medical assistance program. The standards applied  
28 in addition to the American correctional association  
29 accreditation requirements shall include but are not  
30 limited to the minimum qualifications of staff and  
31 provision of gender-responsive services. The standards  
32 and sanctions for noncompliance shall be identified  
33 in conjunction with the department of inspections and  
34 appeals and experts who are not employed by or under  
35 contract with the department. A regular assessment  
36 of compliance with the standards shall be performed  
37 by the department of inspections and appeals and that  
38 department shall submit a report on each assessment to  
39 the governor and general assembly.

40 8. The director and the superintendent for the  
41 state training school shall provide on an ongoing basis  
42 for the state training school's programs, facilities,  
43 and services, and for the training of staff in order  
44 to apply evidence-based practices and other recognized  
45 contemporary approaches to ensure that the care for the  
46 children served by the state training school is of high  
47 quality. The director's and superintendent's efforts  
48 and recommendations to comply with this requirement  
49 shall be documented in the annual budget and financial  
50 reporting submitted to the governor and the general

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1 assembly.  
2 Sec. \_\_\_\_\_. Section 233B.2, Code 2014, is amended to  
3 read as follows:  
4 **233B.2 Salary.**  
5 The salary of the superintendent of the home  
6 state training school shall be determined by the  
7 administrator director in accordance with the state  
8 requirements for similar positions.  
9 Sec. \_\_\_\_\_. Section 233B.3, Code 2014, is amended to  
10 read as follows:  
11 **233B.3 Admissions Commitments and placements.**  
12 Admission to the home shall be granted to resident  
13 children of the state under seventeen years of age, as  
14 follows, giving preference in the order named:  
15 1. ~~Neglected or dependent children committed by~~  
16 ~~the juvenile court~~ Commitments to and placements at  
17 the state training school shall be limited to the  
18 commitments and placements specified in section 233B.1.  
19 2. ~~Other destitute children.~~  
20 Sec. \_\_\_\_\_. Section 233B.4, Code 2014, is amended to  
21 read as follows:  
22 **233B.4 Procedure.**  
23 The procedure for commitment to and placement at the  
24 home is state training school shall be as provided by  
25 chapter 232 and section 233B.3.  
26 Sec. \_\_\_\_\_. Section 233B.5, Code 2014, is amended to  
27 read as follows:  
28 **233B.5 Transfers.**  
29 The administrator director may propose the transfer  
30 to the home state training school of minor wards of the  
31 state from any institution under the administrator's  
32 director's charge or under the charge of any other  
33 administrator of the department of human services;  
34 but no person shall be so transferred who is a person  
35 with mental illness or an intellectual disability,  
36 or who is incorrigible, or has any vicious habits,  
37 or whose presence in the home would be inimical to  
38 the moral or physical welfare of the other children  
39 within the home, and any such child in the home may be  
40 transferred to the proper state institution. However,  
41 the superintendent shall only approve the transfer of  
42 minor wards who meet the disposition criteria specified  
43 in section 232.52, subsection 2, paragraph "e".  
44 Sec. \_\_\_\_\_. Section 233B.6, Code 2014, is amended to  
45 read as follows:  
46 **233B.6 Profits and earnings.**  
47 Any money earned by or accrued to the benefit of a  
48 child who is transferred to, admitted to, or placed in  
49 foster care from the home state training school shall  
50 be used, held, or otherwise applied for the exclusive

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1 benefit of that child, in accordance with section  
2 234.37.  
3 Sec. \_\_\_\_\_. Section 233B.7, Code 2014, is amended to  
4 read as follows:  
5 **233B.7 Rules.**  
6 ~~All children admitted or committed to the home shall~~  
7 ~~be wards of the state and subject to the rules of the~~  
8 ~~home. Subject to the approval of the administrator,~~  
9 ~~any child received under voluntary application may be~~  
10 ~~expelled by the superintendent for disobedience and~~  
11 ~~refusal to submit to proper discipline. Children shall~~  
12 ~~be discharged upon arriving at the age of eighteen~~  
13 ~~years, or sooner if possessed of sufficient means to~~  
14 ~~provide for themselves. The department shall adopt~~  
15 ~~rules to administer and operate the state training~~  
16 ~~school in the best interests of the children placed at~~  
17 ~~the state training school.~~  
18 Sec. \_\_\_\_\_. Section 234.6, Code 2014, is amended by  
19 adding the following new subsection:  
20 **NEW SUBSECTION. 11.** Provide upon request  
21 assessment and consultation services to public and  
22 private providers of child welfare services to address  
23 the needs of children who have challenging behaviors.  
24 Sec. \_\_\_\_\_. Section 234.46, subsection 1, paragraph  
25 c, Code 2014, is amended to read as follows:  
26 *c.* At the time the person became age eighteen, the  
27 person received foster care services that were paid for  
28 by the state under section 234.35, services at a state  
29 training school, services at a juvenile shelter care  
30 home, or services at a juvenile detention home and the  
31 person is no longer receiving such services.  
32 Sec. \_\_\_\_\_. Section 234.46, subsection 2, unnumbered  
33 paragraph 1, Code 2014, is amended to read as follows:  
34 The division shall establish a preparation for  
35 adult living program directed to young adults. The  
36 purpose of the program is to assist persons who are  
37 leaving foster care and other court-ordered services  
38 at age eighteen or older in making the transition  
39 to self-sufficiency. The department shall adopt  
40 rules necessary for administration of the program,  
41 including but not limited to eligibility criteria for  
42 young adult participation and the services and other  
43 support available under the program. The rules shall  
44 provide for participation of each person who meets the  
45 definition of young adult on the same basis, regardless  
46 of whether federal financial participation is provided.  
47 The services and other support available under the  
48 program may include but are not limited to any of the  
49 following:  
50 Sec. \_\_\_\_\_. Section 282.33, Code 2014, is amended by

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1 striking the section and inserting in lieu thereof the  
2 following:

3     **282.33 Funding for children residing in state mental**  
4 **health institutes or training schools.**

5     1. An area education agency shall provide or make  
6 provision for an appropriate educational program  
7 for each child who lives in one of the following  
8 institutions for children under the jurisdiction of the  
9 director of human services:

10     a. Mental health institute, Cherokee, Iowa.

11     b. Mental health institute, Independence, Iowa.

12     c. State training school for male juvenile  
13 delinquents, Eldora, Iowa, under chapter 233A.

14     d. State training school for female juvenile  
15 delinquents, Toledo, Iowa, under chapter 233B.

16     2. The area education agency shall provide the  
17 educational program by any one of but not limited to  
18 the following:

19     a. Providing for the enrollment of the child in  
20 the district of residence of the child, subject to the  
21 approval of the district in which the child is living.

22     b. Cooperating with the district of residence  
23 of the child and obtaining the course of study and  
24 textbooks of the child for use in the special facility  
25 into which the child has been placed.

26     c. Providing for the enrollment of the child in the  
27 district in which the child is living, subject to the  
28 approval of the district in which the child is living.

29     3. The area education agency shall submit a  
30 proposed program and budget to the department of  
31 education by January 1 for the next succeeding school  
32 year for each institution. The department of education  
33 shall review and approve or modify the program and  
34 proposed budget and shall notify the department  
35 of administrative services and the area education  
36 agency of its action by February 1. The department  
37 of administrative services shall pay the approved  
38 budget amount for an area education agency in monthly  
39 installments beginning September 15 and ending June 15  
40 of the next succeeding school year. The installments  
41 shall be as nearly equal as possible as determined by  
42 the department of management, taking into consideration  
43 the relative budget and cash position of the state's  
44 resources. The department of administrative services  
45 shall transfer the approved budget amount for an  
46 area education agency from the moneys appropriated  
47 under section 257.16 and make the payment to the area  
48 education agency. The area education agency shall  
49 submit an accounting for the actual cost of the program  
50 to the department of education by August 1 of the

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1 following school year. The department shall review  
2 and approve or modify all expenditures incurred in  
3 compliance with the guidelines pursuant to section  
4 256.7, subsection 10, and shall notify the department  
5 of administrative services of the approved accounting  
6 amount. The approved accounting amount shall be  
7 compared with any amounts paid by the department of  
8 administrative services to the area education agency  
9 and any differences added to or subtracted from the  
10 October payment made under this subsection for the next  
11 school year. Any amount paid by the department of  
12 administrative services shall be deducted monthly from  
13 the state foundation aid paid under section 257.16 to  
14 all school districts in the state during the subsequent  
15 fiscal year. The portion of the total amount of the  
16 approved budget that shall be deducted from the state  
17 aid of a school district shall be the same as the ratio  
18 that the budget enrollment for the budget year of the  
19 school district bears to the total budget enrollment in  
20 the state for that budget year in which the deduction  
21 is made.

22 4. For purposes of this section, "*district of*  
23 *residence*" means the school district in which the  
24 parent or legal guardian of the child resides or the  
25 district in which the district court is located if the  
26 district court is the guardian of the child.

27 5. Programs may be provided throughout the calendar  
28 year and shall be funded under this section if the  
29 school district or area education agency determines a  
30 valid educational reason to do so.

31 Sec. \_\_\_\_\_. REPEAL. Sections 233B.10, 233B.11,  
32 233B.12, 233B.13, and 233B.14, Code 2014, are repealed.

33 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
34 of this Act, being deemed of immediate importance,  
35 takes effect upon enactment.

36 DIVISION \_\_\_\_\_

37 STATE TRAINING SCHOOLS — CONFORMING AMENDMENTS

38 Sec. \_\_\_\_\_. Section 137F.1, subsection 7, unnumbered  
39 paragraph 1, Code 2014, is amended to read as follows:

40 "*Food establishment*" means an operation that stores,  
41 prepares, packages, serves, vends, or otherwise  
42 provides food for human consumption and includes a  
43 food service operation in a salvage or distressed food  
44 operation, school, summer camp, residential service  
45 substance abuse treatment facility, halfway house  
46 substance abuse treatment facility, correctional  
47 facility operated by the department of corrections, ~~the~~  
48 ~~or state training school, or the Iowa juvenile home.~~

49 "*Food establishment*" does not include the following:

50 Sec. \_\_\_\_\_. Section 218.1, subsections 7 and 8, Code

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1 2014, are amended to read as follows:

2 7. State training school for male juvenile  
3 delinquents, Eldora, Iowa, under chapter 233A.

4 ~~8. Iowa juvenile home~~ State training school for  
5 female juvenile delinquents, Toledo, Iowa, under  
6 chapter 233B.

7 Sec. \_\_\_\_\_. Section 218.6, subsection 3, Code 2014,  
8 is amended to read as follows:

9 3. The state juvenile institutions consisting of  
10 the state training school for male juvenile delinquents  
11 at Eldora and the ~~Iowa juvenile home~~ state training  
12 school for female juvenile delinquents at Toledo.

13 Sec. \_\_\_\_\_. Section 259A.6, Code 2014, is amended to  
14 read as follows:

15 **259A.6 Residents of juvenile institutions and**  
16 **juvenile probationers.**

17 Notwithstanding the provisions of section 259A.2 a  
18 minor who is a resident of a state training school ~~or~~  
19 ~~the Iowa juvenile home~~ or a minor who is placed under  
20 the supervision of a juvenile probation office may make  
21 application for a high school equivalency diploma and  
22 upon successful completion of the program receive a  
23 high school equivalency diploma.

24 Sec. \_\_\_\_\_. Section 261.6, subsection 2, paragraph b,  
25 Code 2014, is amended to read as follows:

26 b. Is age seventeen and has been placed in ~~the~~  
27 ~~a state training school or the Iowa juvenile home~~  
28 pursuant to a court order entered under chapter 232  
29 under the care and custody of the department of human  
30 services.

31 Sec. \_\_\_\_\_. Section 261.6, subsection 2, paragraph  
32 c, subparagraph (4), Code 2014, is amended to read as  
33 follows:

34 (4) On the date the person reached age eighteen or  
35 during the thirty calendar days preceding or succeeding  
36 that date, the person was placed in ~~the~~ a state  
37 training school ~~or the Iowa juvenile home~~ pursuant to  
38 a court order entered under chapter 232 under the care  
39 and custody of the department of human services.

40 Sec. \_\_\_\_\_. Section 331.424, subsection 1, paragraph  
41 a, subparagraph (1), subparagraph division (b), Code  
42 2014, is amended by striking the subparagraph division.

43 Sec. \_\_\_\_\_. Section 331.756, subsection 51, Code  
44 2014, is amended by striking the subsection.

45 Sec. \_\_\_\_\_. Section 331.802, subsection 3, paragraph  
46 k, Code 2014, is amended to read as follows:

47 k. Death of a person ~~committed or~~ admitted to,  
48 committed to, or placed at a state mental health  
49 institute, a state resource center, the or a state  
50 training school, or the Iowa juvenile home.

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1 Sec. \_\_\_\_\_. Section 357H.1, subsection 1, Code 2014,  
2 is amended to read as follows:

3 1. The board of supervisors of a county with  
4 less than twenty thousand residents, not counting  
5 persons admitted ~~or~~ to, committed to, or placed at an  
6 institution enumerated in section 218.1 or 904.102,  
7 based upon the 2000 certified federal census, and with  
8 a private lake development shall designate an area  
9 surrounding the lake, if it is an unincorporated area  
10 of the county, a rural improvement zone upon receipt  
11 of a petition pursuant to section 357H.2, and upon  
12 the board's determination that the area is in need of  
13 improvements.

14 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
15 of this Act, being deemed of immediate importance,  
16 takes effect upon enactment.>

17 100. Page 33, by striking line 17 and inserting:

18 <\_\_\_\_\_. By striking page 87, line 10, through page  
19 90, line 2, and inserting:

20 <DIVISION \_\_\_\_\_  
21 PRIOR AUTHORIZATION

22 Sec. \_\_\_\_\_. NEW SECTION. 505.26 Prior authorization  
23 for prescription drug benefits — standard process and  
24 form.

25 1. As used in this section:

26 a. "Facility", "health benefit plan", "health care  
27 professional", "health care provider", "health care  
28 services", and "health carrier" mean the same as defined  
29 in section 514J.102.

30 b. "Pharmacy benefits manager" means the same as  
31 defined in section 510B.1.

32 2. The commissioner shall develop, by rule, a  
33 process for use by each health carrier and pharmacy  
34 benefits manager that requires prior authorization  
35 for prescription drug benefits pursuant to a health  
36 benefit plan, to submit, on or before January 1, 2015,  
37 a single prior authorization form for approval by the  
38 commissioner, that each health carrier or pharmacy  
39 benefits manager shall be required to use beginning  
40 on July 1, 2015. The process shall provide that if a  
41 prior authorization form submitted to the commissioner  
42 by a health carrier or pharmacy benefits manager is not  
43 approved or disapproved within thirty days after its  
44 receipt by the commissioner, the form shall be deemed  
45 approved.

46 3. The commissioner shall develop, by rule, a  
47 standard prior authorization process which meets all of  
48 the following requirements:

49 a. Health carriers and pharmacy benefits managers  
50 shall allow health care providers to submit a prior

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1 authorization request electronically.  
2     **b.** Health carriers and pharmacy benefits managers  
3 shall provide that approval of a prior authorization  
4 request shall be valid for a minimum length of time  
5 in accordance with the rules adopted under this  
6 section. In adopting the rules, the commissioner may  
7 consult with health care professionals who seek prior  
8 authorization for particular types of drugs, and as the  
9 commissioner determines to be appropriate, negotiate  
10 standards for such minimum time periods with individual  
11 health carriers and pharmacy benefits managers.  
12     **c.** Health carriers and pharmacy benefits managers  
13 shall make the following available and accessible on  
14 their internet sites:  
15         (1) Prior authorization requirements and  
16 restrictions, including a list of drugs that require  
17 prior authorization.  
18         (2) Clinical criteria that are easily  
19 understandable to health care providers, including  
20 clinical criteria for reauthorization of a previously  
21 approved drug after the prior authorization period has  
22 expired.  
23         (3) Standards for submitting and considering  
24 requests, including evidence-based guidelines,  
25 when possible, for making prior authorization  
26 determinations.  
27     **d.** Health carriers shall provide a process for  
28 health care providers to appeal a prior authorization  
29 determination as provided in chapter 514J. Pharmacy  
30 benefits managers shall provide a process for health  
31 care providers to appeal a prior authorization  
32 determination that is consistent with the process  
33 provided in chapter 514J.  
34     4. In adopting a standard prior authorization  
35 process, the commissioner shall consider national  
36 standards pertaining to electronic prior authorization,  
37 such as those developed by the national council for  
38 prescription drug programs.  
39     5. A prior authorization form approved by  
40 the commissioner shall meet all of the following  
41 requirements:  
42         **a.** Not exceed two pages in length, except that  
43 a prior authorization form may exceed that length as  
44 determined to be appropriate by the commissioner.  
45         **b.** Be available in electronic format.  
46         **c.** Be transmissible in an electronic format or a  
47 fax transmission.  
48     6. Beginning on July 1, 2015, each health carrier  
49 and pharmacy benefits manager shall use and accept  
50 the prior authorization form that was submitted by

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1 that health carrier or pharmacy benefits manager and  
2 approved for the use of that health carrier or pharmacy  
3 benefits manager by the commissioner pursuant to this  
4 section. Beginning on July 1, 2015, health care  
5 providers shall use and submit the prior authorization  
6 form that has been approved for the use of a health  
7 carrier or pharmacy benefits manager, when prior  
8 authorization is required by a health benefit plan.  
9 7. a. If a health carrier or pharmacy benefits  
10 manager fails to use or accept the prior authorization  
11 form that has been approved for use by the health  
12 carrier or pharmacy benefits manager pursuant to this  
13 section, or to respond to a health care provider's  
14 request for prior authorization of prescription drug  
15 benefits within seventy-two hours of the health care  
16 provider's submission of the form, the request for  
17 prior authorization shall be considered to be approved.  
18 b. However, if the prior authorization request is  
19 incomplete or additional information is required, the  
20 health carrier or pharmacy benefits manager may request  
21 the additional information within the seventy-two-hour  
22 period and once the additional information is submitted  
23 the provisions of paragraph "a" shall again apply.  
24 c. Notwithstanding paragraphs "a" and "b", the  
25 commissioner may develop, by rule, minimum time periods  
26 for a health carrier or pharmacy benefits manager to  
27 respond to a health care provider's request for prior  
28 authorization of prescription drug benefits or for  
29 additional information, that are less than, but in no  
30 case exceed seventy-two hours, as the commissioner  
31 deems appropriate under the circumstances.  
32 Sec. \_\_\_\_\_. Section 510B.3, subsection 2, Code 2014,  
33 is amended by adding the following new paragraph:  
34 NEW PARAGRAPH. c. A process for the submission of  
35 forms.  
36 Sec. \_\_\_\_\_. NEW SECTION. 510B.9 Submission,  
37 approval, and use of prior authorization form.  
38 A pharmacy benefits manager shall file with and  
39 have approved by the commissioner a single prior  
40 authorization form as provided in section 505.26. A  
41 pharmacy benefits manager shall use the single prior  
42 authorization form as provided in section 505.26.  
43 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
44 of this Act, being deemed of immediate importance,  
45 takes effect upon enactment.  
46 101. Page 90, before line 3 by inserting:  
47 <DIVISION \_\_\_\_\_  
48 POISON CONTROL CENTER  
49 Sec. \_\_\_\_\_. POISON CONTROL CENTER — FEDERAL  
50 APPROVAL. The department of human services shall

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1 request approval from the centers for Medicare and  
2 Medicaid services of the United States department of  
3 health and human services to utilize administrative  
4 funding under the federal Children's Health Insurance  
5 Program Reauthorization Act of 2009, Pub. L. No. 111-3,  
6 to provide the maximum federal matching funds available  
7 to implement a new health services initiative as  
8 provided under section 2105(a)(1)(D)(ii) of the federal  
9 Social Security Act, to fund the state poison control  
10 center.

11 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
12 of this Act, being deemed of immediate importance,  
13 takes effect upon enactment.

14 DIVISION \_\_\_\_\_

15 AGING AND LONG-TERM CARE DELIVERY INTERIM COMMITTEE

16 Sec. \_\_\_\_\_. INTERIM COMMITTEE ON AGING AND LONG-TERM  
17 CARE DELIVERY.

18 1. The legislative council is requested to  
19 establish a study committee for the 2014 interim to  
20 examine issues relating to aging Iowans and long-term  
21 care. The interim committee shall comprehensively  
22 review the existing long-term care delivery system  
23 and make recommendations to create a sustainable,  
24 person-centered approach that increases health and life  
25 outcomes; supports maximum independence by providing  
26 the appropriate level of care and services through a  
27 balance of facility-based and home and community-based  
28 options; addresses medical and social needs in a  
29 coordinated, integrated manner; provides for sufficient  
30 resources including a stable, well-qualified workforce;  
31 and is fiscally accountable.

32 2. The interim committee shall provide a forum  
33 for open and constructive dialogue among stakeholders  
34 representing individuals involved in the delivery and  
35 financing of long-term care services and supports,  
36 consumers and families of consumers in need of such  
37 services and supports, legislators, and representatives  
38 of agencies responsible for oversight, funding, and  
39 regulation of such services and supports.

40 3. The interim committee shall specifically  
41 address the cost and financing of long-term care and  
42 services, the coordination of services among providers,  
43 the availability of and access to a well-qualified  
44 workforce including both the compensated workforce  
45 and family and other uncompensated caregivers, and  
46 the balance between facility-based and home and  
47 community-based care and services. In addition, the  
48 interim committee shall consider methods to educate  
49 consumers and enhance engagement of consumers in the  
50 broader conversation regarding long-term care issues,

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1 including their experiences with, concerns about, and  
2 expectations and recommendations for action regarding  
3 the long-term care delivery system in the state.  
4 4. Members of the interim committee shall include  
5 all of the following:  
6 a. Five members of the senate and five members of  
7 the house of representatives including the following:  
8 (1) The chairpersons and ranking members of the  
9 committees on human resources of the senate and house  
10 of representatives, or a member of the committee  
11 designated by the chairperson or ranking member.  
12 (2) The co-chairpersons and ranking members of the  
13 joint appropriations subcommittee on health and human  
14 services of the senate and house of representatives,  
15 or a member of the subcommittee designated by the  
16 chairperson or ranking member.  
17 b. Five members of the general public representing  
18 individual consumers and their families, one each to be  
19 selected by the following:  
20 (1) The older Iowans legislature.  
21 (2) The Iowa alliance of retired Americans.  
22 (3) The Iowa association of area agencies on aging.  
23 (4) The Iowa caregivers association.  
24 (5) AARP Iowa.  
25 c. Five members who represent those involved in the  
26 delivery of long-term care services.  
27 5. The interim committee may request from state  
28 agencies including the department of human services,  
29 the department of public health, the department on  
30 aging, the department of inspections and appeals, the  
31 insurance division of the department of commerce, and  
32 the department of workforce development, information  
33 and assistance as needed to complete its work.  
34 6. The interim committee shall submit its findings  
35 and recommendations to the general assembly for  
36 consideration during the 2015 legislative session.

37 DIVISION  
38 HEALTHIEST CHILDREN INITIATIVE

39 Sec. \_\_\_\_ NEW SECTION. 135.181 Iowa healthiest  
40 children initiative.

41 1. The Iowa healthiest children initiative is  
42 established in the department. The purpose of the  
43 initiative is to develop and implement a plan for  
44 Iowa children to become the healthiest children in  
45 the nation by January 1, 2020. The areas of focus  
46 addressed by the initiative shall include improvement  
47 of physical, dental, emotional, behavioral, and mental  
48 health and wellness; access to basic needs such as  
49 food security, appropriate nutrition, safe and quality  
50 child care settings, and safe and stable housing,

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1 neighborhoods, and home environments; and promotion  
2 of healthy, active lifestyles by addressing adverse  
3 childhood events, reducing exposures to environmental  
4 toxins, decreasing exposures to violence, advancing  
5 tobacco-free and drug abuse-free living, increasing  
6 immunization rates, and improving family well-being.

7 2. The department shall create a task force,  
8 including members who are child health experts external  
9 to the department, to develop an implementation  
10 plan to achieve the purpose of the initiative.  
11 The implementation plan, including findings,  
12 recommendations, performance benchmarks, data  
13 collection provisions, budget needs, and other  
14 implementation provisions shall be submitted to the  
15 governor and general assembly on or before December 15,  
16 2014.

17 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT. This division  
18 of this Act, being deemed of immediate importance,  
19 takes effect upon enactment.

20 DIVISION \_\_\_\_\_

21 IOWA HEALTH INFORMATION NETWORK

22 Sec. \_\_\_\_\_. Section 135.154, Code 2014, is amended by  
23 adding the following new subsections:

24 NEW SUBSECTION. 3A. "*Care coordination*" means  
25 the management of all aspects of a patient's care to  
26 improve health care quality, patient outcomes, and  
27 patient safety.

28 NEW SUBSECTION. 19A. "*Public health activities*"  
29 means actions taken by a participant in its capacity as  
30 a public health authority under the Health Insurance  
31 Portability and Accountability Act or as required or  
32 permitted by other federal or state law.

33 NEW SUBSECTION. 23. "*Record locator service*"  
34 means the functionality of the Iowa health information  
35 network that queries data sources to locate and  
36 identify potential patient records.

37 Sec. \_\_\_\_\_. Section 135.156D, subsection 2, Code  
38 2014, is amended to read as follows:

39 2. The Iowa health information network shall  
40 not function as a central repository of all health  
41 information including but not limited to an all-payer  
42 claims database or data warehouse.

43 Sec. \_\_\_\_\_. Section 135.156E, subsection 13, Code  
44 2014, is amended to read as follows:

45 13. Unless otherwise provided in this division,  
46 when using sharing health information through the  
47 Iowa health information network or a private health  
48 information network maintained in this state that  
49 complies with the privacy and security requirements of  
50 this chapter for the purposes of patient treatment,



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1 ~~a health care professional or a hospital or health~~  
2 ~~care operations, as such terms are defined in the~~  
3 ~~Health Insurance Portability and Accountability Act,~~  
4 ~~or for the purposes of public health activities or~~  
5 ~~care coordination, a participant authorized by the~~  
6 ~~department to use the record locator service is exempt~~  
7 ~~from any other state law that is more restrictive than~~  
8 ~~the Health Insurance Portability and Accountability Act~~  
9 ~~that would otherwise prevent or hinder the exchange~~  
10 ~~of patient information by the patient's health care~~  
11 ~~professional or hospital participant.~~

12 Sec. \_\_\_\_\_. FUTURE REPEAL.

13 1. The section of this division of this Act  
14 amending section 135.156E, subsection 13, is repealed  
15 July 1, 2015.

16 2. Upon repeal of the amendments to section  
17 135E.156E, subsection 13, the Code editor shall restore  
18 the language of section 135.156E, subsection 13, to the  
19 applicable Code language as it appeared in Code 2014.

20 DIVISION \_\_\_\_\_

21 MEDICAID STATE PLAN AMENDMENT — ELDERS

22 Sec. \_\_\_\_\_. MEDICAID — STATE PLAN AMENDMENT —  
23 HOME AND COMMUNITY-BASED SERVICES FOR ELDERS. The  
24 department of human services shall convene a workgroup  
25 of stakeholders with interest or expertise in issues  
26 relating to elders to develop a medical assistance  
27 program state plan amendment in accordance with section  
28 2402 of the federal Patient Protection and Affordable  
29 Care Act to cover home and community-based services  
30 for eligible elders 65 years of age or older. The  
31 workgroup shall make recommendations on or before  
32 September 1, 2014, relating to financial eligibility;  
33 benefits, including whether individuals receiving such  
34 Medicaid services should be eligible for full Medicaid  
35 benefits; available services; and the needs-based level  
36 of care criteria for determination of eligibility  
37 under the state plan amendment. The recommendations  
38 of the workgroup shall be incorporated into a state  
39 plan amendment and submitted by the department of human  
40 services to the centers for Medicare and Medicaid  
41 services of the United States department of health and  
42 human services for approval.

43 DIVISION \_\_\_\_\_

44 IOWA HEALTH AND WELLNESS PLAN

45 Sec. \_\_\_\_\_. Section 249A.3, subsection 1, paragraph  
46 v, Code 2014, is amended to read as follows:

47 v. (1) Beginning January 1, 2014, in accordance  
48 with section 1902(a)(10)(A)(i)(VIII) of the federal  
49 Social Security Act, as codified in 42 U.S.C. §  
50 1396a(a)(10)(A)(i)(VIII), is an individual who is

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1 nineteen years of age or older and under sixty-five  
2 years of age; is not pregnant; is not entitled to  
3 or enrolled for Medicare benefits under part A, or  
4 ~~enrolled for Medicare benefits under part B, of Tit.~~  
5 XVIII of the federal Social Security Act; is not  
6 otherwise described in section 1902(a)(10)(A)(i) of the  
7 federal Social Security Act; is not exempt pursuant  
8 to section 1902(k)(3), as codified in 42 U.S.C. §  
9 1396a(k)(3), and whose income as determined under  
10 1902(e)(14) of the federal Social Security Act, as  
11 codified in 42 U.S.C. § 1396a(e)(14), does not exceed  
12 one hundred thirty-three percent of the poverty line  
13 as defined in section 2110(c)(5) of the federal Social  
14 Security Act, as codified in 42 U.S.C. § 1397jj(c)(5)  
15 for the applicable family size.

16 (2) Notwithstanding any provision to the contrary,  
17 individuals eligible for medical assistance under this  
18 paragraph "v" shall receive coverage for benefits as  
19 specified in this subparagraph (2), which shall be  
20 administered in accordance with this subparagraph (2).

21 (a) Individuals whose income is at or below one  
22 hundred percent of the poverty line as specified in  
23 subparagraph (1) shall receive coverage for benefits  
24 pursuant to 42 U.S.C. § 1396u-7(b)(1)(B); adjusted as  
25 necessary to provide the essential health benefits  
26 as required pursuant to section 1302 of the federal  
27 Patient Protection and Affordable Care Act, Pub. L. No.  
28 111-148; adjusted to provide prescription drugs and  
29 dental services consistent with the medical assistance  
30 state plan benefits package for individuals otherwise  
31 eligible under this subsection; and adjusted to provide  
32 habilitation services consistent with the state medical  
33 assistance program section 1915(i) waiver dental  
34 services equivalent to the medical assistance state  
35 plan benefits for individuals otherwise eligible under  
36 this subsection. Benefits under this subparagraph  
37 division (a) shall be administered consistent with  
38 program administration otherwise provided under this  
39 subsection, with the exception of dental services which  
40 may be administered as otherwise provided under this  
41 subsection or, in whole or in part, through a managed  
42 care provider.

43 (3) (a) ~~For individuals whose income as determined~~  
44 ~~under this paragraph "v" is at or below one hundred~~  
45 ~~percent of the federal poverty level, covered benefits~~  
46 ~~under subparagraph (2) shall be administered consistent~~  
47 ~~with program administration under this subsection.~~

48 (b) ~~For individuals~~ Individuals whose income  
49 ~~as determined under this paragraph "v" is above one~~  
50 hundred percent but not in excess of one hundred

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1 thirty-three percent of the federal poverty level,  
2 ~~covered~~ line as specified in subparagraph (1), shall  
3 receive coverage for benefits ~~shall be~~ which are  
4 those provided by a qualified health plan administered  
5 through provision of premium assistance for the  
6 purchase of ~~covered benefits~~ qualified coverage  
7 which includes benefits at least equivalent to those  
8 specified in 42 U.S.C. §1396u-7(b)(1)(B) through the  
9 American health benefits exchange created pursuant to  
10 the Affordable Care Act, as defined in section 249N.2.  
11 In addition, covered benefits shall include dental  
12 services equivalent to the medical assistance state  
13 plan benefits for individuals otherwise eligible under  
14 this subsection, which may be administered as otherwise  
15 provided under this subsection or, in whole or in part,  
16 through a managed care provider.

17 (c) Notwithstanding any provision to the contrary  
18 under subparagraph division (b) or this subparagraph  
19 division (c), individuals eligible for medical  
20 assistance under this paragraph "v" who are determined  
21 by the department to be exempt from mandatory  
22 enrollment in benchmark or benchmark-equivalent  
23 coverage pursuant to 42 C.F.R. §440.315, may select  
24 either of the following:

25 (i) The medical assistance state plan benefits  
26 package for individuals otherwise eligible under this  
27 subsection administered as otherwise provided under  
28 this subsection.

29 (ii) The benefits specified under subparagraph  
30 division (a) administered as otherwise provided under  
31 this subsection.

32 Sec. \_\_\_\_\_. Section 249N.2, subsections 7, 12, and  
33 13, Code 2014, are amended by striking the subsections.

34 Sec. \_\_\_\_\_. Section 249N.2, subsection 17, Code 2014,  
35 is amended to read as follows:

36 17. *"Participating accountable care organization"*  
37 means an accountable care organization approved by the  
38 department to participate in as a provider under the  
39 Iowa health and wellness plan ~~provider network~~.

40 Sec. \_\_\_\_\_. Section 249N.4, Code 2014, is amended to  
41 read as follows:

42 249N.4 Iowa health and wellness plan — eligibility.

43 1. Except as otherwise provided in this chapter,  
44 an individual may participate in the Iowa health  
45 and wellness plan if the individual meets all of the  
46 following criteria:

47 a. Is an eligible individual.

48 b. Meets the citizenship or alienage requirements  
49 of the medical assistance program, and is a resident  
50 of Iowa, and provides a social security number upon



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1 ~~application for the plan.~~  
2 ~~c. Fulfills all other conditions of participation~~  
3 ~~in the Iowa health and wellness plan, including member~~  
4 ~~financial participation pursuant to section 249N.7.~~  
5 ~~2. An individual who has access to affordable~~  
6 ~~employer-sponsored health care coverage, as defined~~  
7 ~~by rule of the department to align with regulations~~  
8 ~~adopted by the federal internal revenue service under~~  
9 ~~the Affordable Care Act, shall not be eligible for~~  
10 ~~participation in the Iowa health and wellness plan.~~  
11 ~~3. a. The department may elect to pay the cost of~~  
12 ~~health insurance premiums under the health insurance~~  
13 ~~premium payment program pursuant to section 249A.3,~~  
14 ~~subsection 10, for individuals with access to such~~  
15 ~~health insurance coverage, if the department determines~~  
16 ~~such payment to be cost-effective. Each applicant for~~  
17 ~~the Iowa health and wellness plan shall provide to the~~  
18 ~~department all insurance information required by the~~  
19 ~~health insurance premium payment program in accordance~~  
20 ~~with rules adopted by the department.~~  
21 ~~a. The department may elect to pay the~~  
22 ~~cost of premiums for applicants with access~~  
23 ~~to employer-sponsored health care coverage if~~  
24 ~~the department determines such payment to be~~  
25 ~~cost-effective.~~  
26 ~~b. If health insurance premium payment is provided~~  
27 ~~under this subsection, the department shall supplement~~  
28 ~~coverage as necessary to provide covered benefits~~  
29 ~~specified under section 249A.3, subsection 1, paragraph~~  
30 ~~"v", subparagraph (2), subparagraph division (a) or~~  
31 ~~(c), as applicable.~~  
32 ~~b. 3. Eligibility for the Iowa health and wellness~~  
33 ~~plan is a qualifying event under the federal Health~~  
34 ~~Insurance Portability and Accountability Act of 1996,~~  
35 ~~Pub. L. No. 104-191.~~  
36 ~~c. If premium payment is provided under this~~  
37 ~~subsection for employer-sponsored health care coverage,~~  
38 ~~the Iowa health and wellness plan shall supplement such~~  
39 ~~coverage as necessary to provide the covered benefits~~  
40 ~~specified under section 249N.5.~~  
41 ~~4. The department shall implement the Iowa health~~  
42 ~~and wellness plan in a manner that ensures that the~~  
43 ~~Iowa health and wellness plan is the payor of last~~  
44 ~~resort.~~  
45 ~~5. A member is eligible for coverage effective~~  
46 ~~the first day of the month following the month of~~  
47 ~~application for enrollment.~~  
48 ~~6. 5. Following initial enrollment, a member~~  
49 ~~is eligible for covered benefits for twelve months,~~  
50 ~~subject to program termination and other limitations~~

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1 otherwise specified in this chapter. The department  
2 shall review the member's eligibility on at least an  
3 annual basis.

4 Sec. \_\_\_\_\_. Section 249N.5, subsection 2, Code 2014,  
5 is amended to read as follows:

6 2. *a.* For members whose household income is at  
7 or below one hundred percent of the federal poverty  
8 level or who have been determined by the department  
9 to be exempt from mandatory enrollment in benchmark  
10 or benchmark-equivalent coverage pursuant to 42  
11 C.F.R. §440.315, the plan shall be administered by  
12 the Iowa Medicaid enterprise consistent with program  
13 administration applicable to individuals under section  
14 249A.3, subsection 1, with the exception of dental  
15 services which may be administered, in whole or in  
16 part, through a managed care provider.

17 *b.* For members whose household income is above  
18 one hundred percent but not in excess of one hundred  
19 thirty-three percent of the federal poverty level and  
20 who have not been determined by the department to be  
21 exempt from mandatory enrollment in an benchmark or  
22 benchmark-equivalent coverage pursuant to 42 C.F.R.  
23 §440.315, the plan shall be administered through  
24 provision of premium assistance for the purchase of  
25 the covered benefits qualified coverage through the  
26 American health benefits exchange created pursuant  
27 to the Affordable Care Act. The department may pay  
28 premiums and supplemental cost-sharing subsidies  
29 directly to qualified health plans participating in the  
30 American health benefits exchange created pursuant to  
31 the Affordable Care Act on behalf of the member.

32 Sec. \_\_\_\_\_. Section 249N.6, Code 2014, is amended to  
33 read as follows:

34 ~~249N.6 Iowa health and wellness plan provider~~  
35 ~~network Provider networks.~~

36 1. ~~The Iowa health and wellness plan provider~~  
37 ~~network for members receiving benefits pursuant~~  
38 ~~to section 249N.5, subsection 2, paragraph "a",~~  
39 ~~shall include all providers enrolled in the medical~~  
40 ~~assistance program and all participating accountable~~  
41 ~~care organizations. Reimbursement under this chapter~~  
42 ~~subsection shall only be made to such Iowa health and~~  
43 ~~wellness plan providers for covered benefits.~~

44 2. *a.* Upon enrollment, a member shall choose a  
45 primary medical provider and, to the extent feasible,  
46 shall also choose a medical home within the Iowa health  
47 and wellness plan provider network.

48 *b.* If the member does not choose a primary medical  
49 provider or a medical home, the department shall assign  
50 the member to a primary medical provider or a medical

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1 home in accordance with the Medicaid managed health  
2 care, mandatory enrollment provisions specified in  
3 rules adopted by the department pursuant to chapter  
4 249A and in accordance with quality data available to  
5 the department.  
6     ~~c.~~ The department shall develop a mechanism  
7 for primary medical providers, medical homes, and  
8 participating accountable care organizations to  
9 jointly facilitate member care coordination of both  
10 clinical services and nonclinical community and social  
11 supports that address social determinants of health.  
12 ~~The Iowa health and wellness plan shall provide for~~  
13 ~~reimbursement of care. Such care coordination services~~  
14 ~~provided under the plan consistent with the shall~~  
15 ~~be reimbursed in accordance with a reimbursement~~  
16 ~~methodology developed pursuant to section 135.159 by~~  
17 ~~rule of the department in accordance with chapter 17A.~~  
18     ~~3. a. d.~~ The department shall provide procedures  
19 for accountable care organizations that emerge through  
20 local markets to participate in the ~~Iowa health and~~  
21 ~~wellness plan~~ provider network. Such accountable  
22 care organizations shall incorporate the medical home  
23 as defined and specified in chapter 135, division  
24 XXII, as a foundation and shall emphasize whole-person  
25 orientation and coordination and integration of both  
26 clinical services and nonclinical community and social  
27 supports that address social determinants of health.  
28 A participating accountable care organization shall  
29 enter into a contract with the department to ensure the  
30 coordination and management of the health of attributed  
31 members, to produce quality health care outcomes, and  
32 to control overall cost.  
33     ~~b.~~ (1) The department shall establish by rule  
34 in accordance with chapter 17A the qualifications,  
35 contracting processes, and contract terms for a  
36 participating accountable care organization. The rules  
37 shall also establish a methodology for attribution  
38 of a member to a participating accountable care  
39 organization.  
40     ~~c.~~ (2) A participating accountable care  
41 organization contract shall establish accountability  
42 based on quality performance and total cost-of-care  
43 metrics for the attributed population. In developing  
44 quality performance standards, the department shall  
45 consider those utilized by state accountable care  
46 organization models including but not limited to the  
47 quality index score and the Medicare shared savings  
48 program quality reporting metrics. The payment models  
49 shall include but are not limited to risk sharing,  
50 including both shared savings and shared costs,

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1 between the state and the participating accountable  
2 care organization, and bonus payments for improved  
3 quality. The contract terms shall require that a  
4 participating accountable care organization is subject  
5 to shared savings ~~beginning with the initial year of~~  
6 ~~the contract~~, must have quality metrics in place within  
7 three years of the initial year of the contract, and  
8 must participate in risk sharing within five years of  
9 the initial year of the contract.

10 4. ~~e.~~ To the greatest extent possible, members  
11 shall have a choice of providers within the ~~Iowa health~~  
12 ~~and wellness plan~~ provider network to facilitate access  
13 to locally-based health care providers and services.  
14 However, member choice may be limited by the results of  
15 attribution under this section and by the participating  
16 accountable care organization, with prior approval  
17 of the department, if the member's health condition  
18 would benefit from limiting the member's choice of ~~an~~  
19 ~~Iowa health and wellness plan~~ a provider to ensure  
20 coordination of services, or due to overutilization of  
21 covered benefits. The participating accountable care  
22 organization shall provide thirty days' notice to the  
23 member prior to limitation of such choice.

24 5. ~~a. f.~~ An Iowa health and wellness plan A  
25 provider shall be reimbursed for covered benefits  
26 under the Iowa health and wellness plan utilizing the  
27 same reimbursement methodology as that applicable to  
28 individuals eligible for medical assistance under  
29 section 249A.3, subsection 1. Additionally, care  
30 coordination services shall be reimbursed in accordance  
31 with the reimbursement methodology developed by rule of  
32 the department.

33 ~~b. g.~~ Notwithstanding paragraph ~~"a"~~ ~~"f"~~, a  
34 participating accountable care organization under  
35 contract with the department shall be reimbursed  
36 utilizing a value-based reimbursement methodology.

37 6. ~~a. h.~~ Iowa health and wellness plan providers  
38 Providers shall exchange member health information  
39 as provided by rule to facilitate coordination and  
40 management of members' health, quality health care  
41 outcomes, and containment of and reduction in costs.

42 ~~b. i.~~ The department shall provide the health  
43 care claims data of attributed members to a member's  
44 participating accountable care organization on a  
45 timeframe established by rule of the department.

46 2. The provider network for members receiving  
47 benefits pursuant to section 249N.5, subsection 2,  
48 paragraph "b", shall include all providers under the  
49 member's qualified health plan in the American health  
50 benefits exchange.

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1 DIVISION \_\_\_\_\_  
2 DENTAL COVERAGE — ASSIGNMENT OF BENEFITS  
3 Sec. \_\_\_\_\_. NEW SECTION. 514C.3C Dental coverage —  
4 assignment of health insurance benefits.  
5 A person who is the owner of any rights or benefits  
6 under a policy or contract of insurance which provides  
7 for coverage of dental care services shall be permitted  
8 to assign all or any part of that person's rights and  
9 privileges under the policy or contract, including but  
10 not limited to the right to designate a beneficiary  
11 and to have an individual policy or contract issued in  
12 accordance with the terms of the policy or contract.  
13 Such assignment shall be without prejudice to the  
14 insurer on account of any payment the insurer makes or  
15 individual policy or contract the insurer issues before  
16 receiving notice of the assignment, provided that the  
17 insurer was acting in good faith. If written proof of  
18 an assignment of benefits is presented to an insurer,  
19 health maintenance organization, managed care plan,  
20 health care plan, preferred provider organization, or  
21 other third-party payor, then payment shall be made  
22 directly to the health care professional or health care  
23 facility providing the dental services. Nothing in  
24 this section shall be construed to prevent any persons  
25 from reconciling duplicate payments.  
26 Sec. \_\_\_\_\_. Section 514J.103, subsection 1, Code  
27 2014, is amended to read as follows:  
28 1. Except as provided in subsection 2, this chapter  
29 shall apply to all health carriers, including health  
30 carriers issuing a policy or certificate that provides  
31 coverage for dental care.  
32 Sec. \_\_\_\_\_. Section 514J.103, subsection 2, paragraph  
33 a, Code 2014, is amended to read as follows:  
34 a. A policy or certificate that provides coverage  
35 only for a specified disease, specified accident or  
36 accident-only, credit, disability income, hospital  
37 indemnity, long-term care, dental care, vision care, or  
38 any other limited supplemental benefit.  
39 DIVISION \_\_\_\_\_  
40 FAMILY PLANNING — STATE PLAN AMENDMENT  
41 Sec. \_\_\_\_\_. Section 249A.3, subsection 2, paragraph  
42 a, subparagraph (9), Code 2014, is amended to read as  
43 follows:  
44 (9) Individuals eligible for family planning  
45 services under a federally approved demonstration  
46 waiver or state plan.  
47 Sec. \_\_\_\_\_. MEDICAID STATE PLAN AMENDMENT — FAMILY  
48 PLANNING. The department of human services shall amend  
49 the medical assistance state plan to include, effective  
50 no later than January 1, 2015, the eligibility

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1 provisions of the Iowa family planning network section  
2 1115 demonstration waiver in effect on January 1,  
3 2013, as the criteria is amended to be applicable  
4 to individuals who are uninsured or who have health  
5 insurance coverage subject to the medical assistance  
6 program being the payer of last resort. The department  
7 shall implement the state plan amendment upon receipt  
8 of approval by the centers for Medicare and Medicaid  
9 services of the United States department of health and  
10 human services.

11 Sec. \_\_\_\_\_. 2010 Iowa Acts, chapter 1192, section  
12 11, subsection 24, paragraph a, subparagraph (1),  
13 subparagraph division (a), is amended to read as  
14 follows:

15 (a) Are uninsured or have health insurance coverage  
16 that does not include coverage for benefits provided  
17 under the Iowa family planning network subject to the  
18 medical assistance program being the payer of last  
19 resort.

20 Sec. \_\_\_\_\_. EFFECTIVE UPON ENACTMENT AND CONTINGENT  
21 IMPLEMENTATION. The sections of this division of this  
22 Act relating to the family planning waiver and state  
23 plan amendment, being deemed of immediate importance,  
24 take effect upon enactment. However, the department  
25 of human services shall only implement those sections  
26 to the extent the department receives federal approval  
27 of the requests relating to the waiver and the medical  
28 assistance state plan amendment necessary to implement  
29 those sections.>

30 102. By renumbering as necessary.

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COMMITTEE ON APPROPRIATIONS  
ROBERT E. DVORSKY, CHAIRPERSON



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**Senate File 2355 - Introduced**

SENATE FILE 2355  
BY COMMITTEE ON APPROPRIATIONS  
  
(SUCCESSOR TO SSB 3220)

**A BILL FOR**

1 An Act relating to matters under the purview of the department  
2 of transportation, establishing a fee, and including  
3 effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION I

HIGHWAYS

Section 1. Section 306.3, unnumbered paragraph 1, Code 2014, is amended to read as follows:

As used in this chapter or in any chapter of the Code relating to highways, except as otherwise specified:

Sec. 2. Section 306C.1, subsection 2, Code 2014, is amended to read as follows:

2. "*Interstate highway*" includes "*interstate road*" and "*interstate system*" and means any highway of the primary national highway system at any time officially designated as a part of the national system of interstate and defense highways by the department and approved by the appropriate authority of the federal government.

Sec. 3. Section 306C.1, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 5. "*National highway system*" means the network designated by the federal highway administration in consultation with the state department of transportation, which consists of interconnected urban and rural principal arterials and highways that serve major population centers, ports, airports, public transportation facilities, other intermodal transportation facilities, and other major travel destinations; meet national defense requirements; and serve interstate and interregional travel.

Sec. 4. Section 306C.2, unnumbered paragraph 1, Code 2014, is amended to read as follows:

A person shall not establish, operate, or maintain a junkyard, any portion of which is within one thousand feet of the nearest edge of the right-of-way of any interstate highway on the national highway system, except:

Sec. 5. Section 306C.3, Code 2014, is amended to read as follows:

**306C.3 Junkyards lawfully in existence.**

1. Any junkyard located outside a zoned or unzoned

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1 industrial area lawfully in existence on July 1, 1972,  
2 which is within one thousand feet of the nearest edge of  
3 the right-of-way and visible from the main-traveled portion  
4 of any highway on the interstate system shall be screened,  
5 if feasible, by the department, or by the owner under rules  
6 and direction of the department, at locations on the highway  
7 right-of-way or in areas acquired for such purposes outside  
8 the right-of-way in order to obscure the junkyard from the  
9 main-traveled way of such highways.

10 2. Any junkyard located outside a zoned or unzoned  
11 industrial area lawfully in existence on July 1, 2014, which  
12 is within one thousand feet of the nearest edge of the  
13 right-of-way and visible from the main-traveled portion of  
14 any noninterstate highway which is on the national highway  
15 system shall be screened, if feasible, by the department, or  
16 by the owner under rules and direction of the department, at  
17 locations on the highway right-of-way or in areas acquired for  
18 such purposes outside the right-of-way in order to obscure the  
19 junkyard from the main-traveled way of such highways.

20 Sec. 6. Section 306C.10, subsections 1, 2, 10, 13, and 20,  
21 Code 2014, are amended to read as follows:

22 1. "*Adjacent area*" means an area which is contiguous to  
23 and within six hundred sixty feet of the nearest edge of the  
24 right-of-way of any ~~interstate, freeway primary, or primary~~  
25 highway.

26 2. "*Advertising device*" includes any outdoor sign, display,  
27 device, figure, painting, drawing, message, placard, poster,  
28 billboard, or any other device designed, intended, or used to  
29 advertise or give information in the nature of advertising, and  
30 having the capacity of being visible from the traveled portion  
31 of any ~~interstate or primary~~ highway.

32 10. "*Interstate highway*" includes "*interstate road*" and  
33 "*interstate system*" and means any highway of the ~~primary~~  
34 national highway system at any time officially designated as a  
35 part of the national system of interstate and defense highways





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1 by the department and approved by the appropriate authority of  
2 the federal government.

3 13. *"Primary highways"* ~~includes the entire primary system as~~  
4 ~~officially designated, or as may hereafter be so designated,~~  
5 ~~by the department~~ means all highways on the national highway  
6 system and all highways on the federal-aid primary system as it  
7 existed on June 1, 1991.

8 20. *"Unzoned commercial or industrial area"* means those areas  
9 not zoned by state or local law, regulation, or ordinance,  
10 which are occupied by one or more commercial or industrial  
11 activities, and the land along the ~~interstate highways and~~  
12 primary highways for a distance of seven hundred fifty feet  
13 immediately adjacent to the activities. All measurements  
14 shall be from the outer edge of the regularly used buildings,  
15 parking lots, storage, or processing areas of the activities  
16 and shall be parallel to the edge of pavement of the highway.  
17 Measurements shall not be from the property line of the  
18 activities unless that property line coincides with the limits  
19 of the activities. Unzoned commercial or industrial areas  
20 shall not include land on the opposite side of the highway from  
21 the commercial or industrial activities.

22 Sec. 7. Section 306C.10, Code 2014, is amended by adding the  
23 following new subsection:

24 NEW SUBSECTION. 12A. *"National highway system"* means the  
25 network designated by the federal highway administration in  
26 consultation with the state department of transportation, which  
27 consists of interconnected urban and rural principal arterials  
28 and highways that serve major population centers, ports,  
29 airports, public transportation facilities, other intermodal  
30 transportation facilities, and other major travel destinations;  
31 meet national defense requirements; and serve interstate and  
32 interregional travel.

33 Sec. 8. Section 306C.12, Code 2014, is amended to read as  
34 follows:

35 **306C.12 None visible from highway.**



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1 An advertising device shall not be constructed or  
2 reconstructed beyond the adjacent area in unincorporated areas  
3 of the state if it is visible from the main-traveled way of  
4 any ~~interstate or~~ primary highway except for advertising  
5 devices permitted in section 306C.11, subsections 1 and 2.  
6 Any advertising device permitted beyond an adjacent area in  
7 unincorporated areas of the state shall be subject to the  
8 applicable permit provisions of section 306C.18.

9 Sec. 9. Section 306C.13, subsections 2, 3, 4, and 5, Code  
10 2014, are amended to read as follows:

11 2. Advertising devices located within the adjacent  
12 area of nonfreeway primary highways shall not be erected or  
13 maintained closer to another advertising device facing in the  
14 same direction than one hundred feet if inside the corporate  
15 limits of a municipality. No advertising device, other than  
16 as excepted or permitted by ~~subsections~~ subsection 4, 5, or 6  
17 ~~of this section~~, shall be located within the triangular area  
18 formed by the line connecting two points each fifty feet back  
19 from the point where the street right-of-way lines of the  
20 main-traveled way and the intersecting street meet, or would  
21 meet, if extended.

22 3. Advertising devices located within the adjacent area of  
23 nonfreeway primary highways shall not be erected or maintained  
24 closer to another advertising device facing in the same  
25 direction than three hundred feet if outside the corporate  
26 limits of a municipality. No advertising device, other than  
27 those excepted or permitted by ~~subsections~~ subsection 4, 5, or  
28 6 ~~of this section~~, shall be located within the triangular area  
29 formed by a line connecting two points each one hundred feet  
30 back from the point where the street right-of-way lines of the  
31 main-traveled way and the intersecting street meet, or would  
32 meet, if extended.

33 4. The distance spacing measurements fixed by subsections 2  
34 and 3 ~~of this section~~ shall not apply to advertising devices  
35 which are separated by a building in such a manner that only

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1 one advertising device located within the minimum spacing  
2 distance is visible from a highway at any one time.

3 5. Within a triangular area, as defined by subsections 2  
4 and 3 ~~of this section~~, occupied by a building or structure, no  
5 advertising device shall be erected or maintained closer to the  
6 intersection than the building or structure itself, except that  
7 a wall advertising device may be attached to said building or  
8 structure not to protrude more than twelve inches.

9 Sec. 10. Section 306C.13, subsection 8, paragraph g, Code  
10 2014, is amended to read as follows:

11 g. The standards contained in this section pertaining to  
12 size, lighting, and spacing shall not apply to advertising  
13 devices erected or maintained within six hundred sixty feet  
14 of the right-of-way of those portions of the interstate  
15 highway system exempted from control under chapter 306B by  
16 authority of section 306B.2, subsection 4, nor to advertising  
17 devices erected and maintained within adjacent areas along  
18 noninterstate primary highways within zoned and unzoned  
19 commercial and industrial areas, unless said advertising  
20 devices were erected subsequent to July 1, 1972.

21 DIVISION II

22 MISCELLANEOUS PROVISIONS

23 Sec. 11. Section 321.50, subsection 5, Code 2014, is amended  
24 by adding the following new paragraph:

25 NEW PARAGRAPH. d. For purposes of this subsection, a  
26 security interest noted on an Iowa certificate of title and  
27 appearing in the statewide computer system and the county's  
28 records shall be presumed to be discharged upon presentation of  
29 a valid certificate of title subsequently issued by a foreign  
30 jurisdiction on which the security interest is no longer noted.

31 Sec. 12. Section 321.176A, subsection 1, Code 2014, is  
32 amended to read as follows:

33 1. A farmer or a person working for a farmer while operating  
34 a ~~commercial motor vehicle controlled by the farmer within one~~  
35 ~~hundred fifty air miles of the farmer's farm to transport the~~

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1 ~~farmer's own agricultural products, farm machinery, or farm~~  
2 ~~supplies to or from the farm~~ covered farm vehicle as defined  
3 in the federal Moving Ahead for Progress in the 21st Century  
4 Act, Pub. L. No. 112-141, §32934. The exemption provided in  
5 this subsection shall apply to farmers who assist each other  
6 through an exchange of services and shall include operation of  
7 a commercial motor vehicle between the farms of the farmers who  
8 are exchanging services.

9 Sec. 13. Section 321.187, Code 2014, is amended to read as  
10 follows:

11 **321.187 Examiners.**

12 1. The department shall examine applicants for driver's  
13 licenses. Examiners of the department shall wear an  
14 identifying badge and uniform provided by the department.

15 2. The department may by rule designate community colleges  
16 established under chapter 260C and other third-party testers to  
17 administer the driving skills test required for a commercial  
18 driver's license, provided that all of the following occur:

19 a. The driving skills test is the same as that which would  
20 otherwise be administered by the state.

21 b. The ~~examiner~~ third-party tester contractually agrees to  
22 comply with the requirements of 49 C.F.R. §383.75 as adopted by  
23 rule by the department.

24 c. Any third-party skills test examiner used by the  
25 third-party tester shall meet the requirements of 49 C.F.R.  
26 §383.75 and 49 C.F.R. §384.228, as adopted by rule by the  
27 department. The department shall adopt rules requiring that a  
28 third-party tester, other than a community college established  
29 under chapter 260C, shall be an Iowa-based motor carrier, or  
30 its subsidiary, that has its principal office within this state  
31 and operates a permanent commercial driver training facility  
32 in this state. The rules may also provide that a third-party  
33 tester conduct a number of skills test examinations above the  
34 number required under 49 C.F.R. §383.75 in order to remain  
35 qualified as a third-party tester under this section.



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1     3. As used in this section, "third-party tester" and  
2     "third-party skills test examiner" mean as defined in 49 C.F.R.  
3     §383.5.

4     Sec. 14. Section 321.257, subsection 2, paragraphs g and h,  
5 Code 2014, are amended to read as follows:

6     g. A "don't walk" or "steady upraised hand" light is a  
7 pedestrian signal which means that pedestrian traffic facing  
8 the illuminated pedestrian signal shall not start to cross  
9 the roadway in the direction of the pedestrian signal, and  
10 pedestrian traffic in the crossing shall proceed to a safety  
11 zone.

12    h. A "walk" or "walking person" light is a pedestrian signal  
13 which means that pedestrian traffic facing the illuminated  
14 pedestrian signal may proceed to cross the roadway in the  
15 direction of the pedestrian signal and shall be given the  
16 right-of-way by drivers of all vehicles.

17    Sec. 15. Section 321.257, subsection 2, Code 2014, is  
18 amended by adding the following new paragraphs:

19    NEW PARAGRAPH. 0g. A "flashing yellow arrow" light shown  
20 alone or with another official traffic-control signal means  
21 vehicular traffic may cautiously enter the intersection  
22 and proceed only in the direction indicated by the arrow.  
23 Vehicular traffic shall yield the right-of-way to other  
24 vehicles and pedestrians lawfully within the intersection and  
25 any vehicle on the opposing approach which is approaching so  
26 closely as to constitute an immediate hazard during the time  
27 the driver is moving within the intersection.

28    NEW PARAGRAPH. 0h. A "flashing upraised hand" or "upraised  
29 hand with countdown" light is a pedestrian signal which means  
30 that pedestrian traffic facing the illuminated pedestrian  
31 signal shall not start to cross the roadway in the direction of  
32 the pedestrian signal, and pedestrian traffic in the crossing  
33 shall proceed to a safety zone. The "upraised hand with  
34 countdown" light is a pedestrian signal that also provides the  
35 time remaining for the pedestrian to complete the crossing.



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1 Sec. 16. Section 321.258, Code 2014, is amended to read as  
2 follows:

3 **321.258 Arrangement of lights on official traffic-control**  
4 **signals.**

5 1. Colored lights placed on a vertical official  
6 traffic-control signal face shall be arranged from the top to  
7 the bottom in the following order when used:

- 8 a. Circular red, ~~circular.~~
- 9 b. Steady and/or flashing left-turn red arrow.
- 10 c. Steady and/or flashing right-turn red arrow.
- 11 d. Circular yellow, ~~circular.~~
- 12 e. Circular green, ~~straight through yellow arrow, straight~~  
13 through.
- 14 f. Straight-through green arrow, ~~left turn.~~
- 15 g. Steady left-turn yellow arrow, ~~left turn.~~
- 16 h. Flashing left-turn yellow arrow.
- 17 i. Left-turn green arrow, ~~right turn.~~
- 18 j. Steady right-turn yellow arrow, ~~and right turn.~~
- 19 k. Flashing right-turn yellow arrow.
- 20 l. Right-turn green arrow.

21 2. Colored lights placed on a horizontal official  
22 traffic-control signal face shall be arranged from the left to  
23 the right in the following order when used:

- 24 a. Circular red, ~~circular.~~
- 25 b. Steady and/or flashing left-turn red arrow.
- 26 c. Steady and/or flashing right-turn red arrow.
- 27 d. Circular yellow, ~~left turn.~~
- 28 e. Steady left-turn yellow arrow, ~~left turn.~~
- 29 f. Flashing left-turn yellow arrow.
- 30 g. Left-turn green arrow, ~~circular.~~
- 31 h. Circular green, ~~straight through yellow.~~
- 32 i. Straight-through green arrow, ~~straight through green.~~
- 33 j. Steady right-turn yellow arrow, ~~right turn.~~
- 34 k. Flashing right-turn yellow arrow, ~~and right turn.~~
- 35 l. Right-turn green arrow.



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1     Sec. 17. NEW SECTION.   **328.13 Commercial air service**  
2 **retention and expansion committee.**

3     A commercial air service retention and expansion committee  
4 is established within the aviation office of the department.  
5 The membership of the committee shall consist of the director  
6 or the director's designee; the managers of each airport in  
7 Iowa with commercial air service; two members of the senate,  
8 one appointed by the majority leader of the senate and one  
9 appointed by the minority leader of the senate; and two members  
10 of the house of representatives, one appointed by the speaker  
11 of the house and one appointed by the minority leader of the  
12 house. Legislative members are eligible for per diem and  
13 expenses as provided in section 2.10, for each day of service.  
14 The committee shall, on or before December 31, 2014, develop a  
15 plan for the retention and expansion of passenger air service  
16 in Iowa. The committee shall meet as the committee deems  
17 necessary to assess progress in implementing the plan and, if  
18 necessary, to update the plan.

19     Sec. 18. Section 328.24, unnumbered paragraph 1, Code 2014,  
20 is amended to read as follows:

21     If, during the year for which an aircraft, except  
22 nonresident aircraft used for the application of herbicides  
23 and pesticides, was registered and the required fee paid, the  
24 aircraft is destroyed by fire or accident or junked, and its  
25 identity as an aircraft entirely eliminated, or it the aircraft  
26 is removed and continuously used beyond the boundaries of the  
27 state, then the owner in whose name it was registered at the  
28 time of destruction, dismantling, or removal from the state  
29 shall return the certificate of registration to the department  
30 within ~~ten~~ thirty days and make affidavit of the destruction,  
31 dismantling, or removal and make claim for the refund. The  
32 refund shall be paid from the general fund of the state.

33     Sec. 19. 2012 Iowa Acts, chapter 1129, section 4, is amended  
34 to read as follows:

35     SEC. 4. ROAD USE TAX FUND EFFICIENCY MEASURES

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1 — ~~QUARTERLY~~ ANNUAL REPORTS. The department of transportation  
2 shall submit ~~quarterly reports~~ a report annually on or before  
3 December 31 in an electronic format to the co-chairpersons  
4 of the joint appropriations subcommittee on transportation,  
5 infrastructure, and capitals, the chairpersons of the senate  
6 and house standing committees on transportation, the department  
7 of management, and the legislative services agency regarding  
8 the implementation of efficiency measures identified in the  
9 "Road Use Tax Fund Efficiency Report", January 2012. The  
10 reports shall provide details of activities undertaken in  
11 the previous ~~quarter~~ year relating to one-time and long-term  
12 program efficiencies and partnership efficiencies. Issues to  
13 be covered in the reports shall include but are not limited  
14 to savings realized from the implementation of particular  
15 efficiency measures; updates concerning measures that have  
16 not been implemented; efforts involving cities, counties,  
17 other jurisdictions, or stakeholder interest groups; any  
18 new efficiency measures identified or undertaken; and  
19 identification of any legislative action that may be required  
20 to achieve efficiencies. ~~The first report shall be submitted~~  
21 ~~by October 1, 2012.~~

22 Sec. 20. INTERSECTION REPORT. By October 1, 2014, the  
23 county engineer of each county shall provide a report to  
24 the department of transportation identifying all locations  
25 in the county where two different roads or highways having  
26 speed limits of 55 miles per hour or greater intersect but  
27 are not controlled by an official traffic-control signal  
28 or by official traffic-control devices that direct traffic  
29 approaching from every direction to stop or yield before  
30 entering the intersection. On or before December 31, 2014, the  
31 department shall file a report with the legislative services  
32 agency detailing the number and locations of the intersections  
33 identified in the county engineers' reports.

34 Sec. 21. FUTURE REPEAL. The section of this division of  
35 this Act amending section 321.187 is repealed five years after

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1 the effective date of this division of this Act.

2 Sec. 22. EFFECTIVE UPON ENACTMENT. The following provision  
3 of this division of this Act, being deemed of immediate  
4 importance, takes effect upon enactment:

5 1. The section of this division of this Act amending section  
6 321.187.

7 DIVISION III

8 MOTOR VEHICLE DEALERS

9 Sec. 23. Section 321.48, Code 2014, is amended by adding the  
10 following new subsection:

11 NEW SUBSECTION. 2A. Notwithstanding subsections 1 and 2,  
12 requirements in those subsections for obtaining title to a  
13 vehicle or acknowledging assignment and warranty of title do  
14 not apply to a dealer who sells a motor vehicle to a purchaser  
15 in a consignment transaction authorized under section 322.7B.

16 Sec. 24. Section 321.57, subsection 1, Code 2014, is amended  
17 to read as follows:

18 1. A dealer owning any vehicle of a type otherwise  
19 required to be registered under this chapter may operate or  
20 move the vehicle upon the highways solely for purposes of  
21 transporting, testing, demonstrating, or selling the vehicle  
22 without registering the vehicle, upon condition that the  
23 vehicle display in the manner prescribed in sections 321.37  
24 and 321.38 a special plate issued to the owner as provided in  
25 sections 321.58 through 321.62. A dealer may operate or move  
26 upon the highways a vehicle owned by the dealer for either  
27 private or business purposes, including hauling a load or  
28 towing a trailer, without registering it if the vehicle is in  
29 the dealer's inventory and is continuously offered for sale at  
30 retail, and there is displayed on it a special plate issued to  
31 the dealer as provided in sections 321.58 through 321.62. A  
32 dealer may operate or move upon the highways an unregistered  
33 vehicle owned by a lessor licensed pursuant to chapter 321F  
34 solely for the purpose of delivering the vehicle to the owner  
35 or transporting the vehicle to or from an auction if there is

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1 displayed on the vehicle a special plate issued to the dealer  
2 as provided in sections 321.58 through 321.62.

3 Sec. 25. Section 321.60, Code 2014, is amended to read as  
4 follows:

5 **321.60 Issuance of special plates.**

6 The department shall ~~also~~ issue special plates as applied  
7 for, which shall display the general distinguishing number  
8 assigned to the applicant. Each plate so issued shall  
9 also contain a number or symbol identifying the plate and  
10 distinguishing it from every other plate bearing the same  
11 general distinguishing number. The fee for each special plate  
12 is forty dollars for a two-year period or part thereof. The  
13 fee for a special plate used on a vehicle that is hauling a  
14 load or towing a trailer is seven hundred fifty dollars for a  
15 two-year period or part thereof.

16 Sec. 26. Section 321.69A, subsection 1, paragraph a,  
17 subparagraph (2), Code 2014, is amended to read as follows:

18 (2) The actual cost of any labor or parts charged to or  
19 performed by the dealer for any such repairs, adjustments, or  
20 parts does not exceed four percent of the ~~dealer's adjusted~~  
21 cost manufacturer's suggested retail price.

22 Sec. 27. Section 321.69A, subsections 2 and 3, Code 2014,  
23 are amended to read as follows:

24 2. A person licensed as a new motor vehicle dealer pursuant  
25 to chapter 322 shall disclose in writing, at or before the  
26 time of sale or lease, to the buyer or lessee of a new motor  
27 vehicle that the vehicle has been subject to any repairs of  
28 damage to or adjustments on or replacements of parts with new  
29 parts if the actual cost of any labor or parts charged to or  
30 performed by the dealer for any such repairs, adjustments,  
31 or parts exceeds four percent of the ~~dealer's adjusted cost~~  
32 manufacturer's suggested retail price. The written disclosure  
33 shall include the signature of the buyer or lessee and be in  
34 a form and in a format approved by the attorney general by  
35 rule. A dealer shall retain a copy of each written disclosure

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1 issued pursuant to this section for five years from the date  
2 of issuance.

3 3. As used in this section, ~~"dealer's adjusted cost"~~  
4 "manufacturer's suggested retail price" means the amount paid by  
5 the dealer to the manufacturer or other source for the vehicle,  
6 including any freight charges, but excluding any sum paid by  
7 the manufacturer to the dealer as a holdback or other monetary  
8 incentive relating to the vehicle required to be disclosed by a  
9 dealer pursuant to 15 U.S.C. §1232(f)(4).

10 Sec. 28. Section 321.105A, subsection 2, paragraph c,  
11 subparagraph (14), Code 2014, is amended to read as follows:

12 (14) Vehicles purchased by a licensed motor vehicle dealer  
13 for resale or primarily for use by the dealer's customers while  
14 the customers' vehicles are being serviced or repaired by the  
15 dealer.

16 Sec. 29. NEW SECTION. 322.7B Consignment sales of motor  
17 trucks.

18 A licensed motor vehicle dealer may sell a used motor truck  
19 on a consignment basis if all of the following conditions  
20 apply:

21 1. The dealer is licensed to sell used motor vehicles.

22 2. The motor truck offered for sale has a gross vehicle  
23 weight rating of twenty-six thousand one or more pounds.

24 3. The dealer prominently displays the words "consignment  
25 vehicle" on the motor truck and indicates clearly in the sales  
26 documentation that the motor truck is a consignment vehicle.  
27 The dealer shall put customers on notice that the dealer does  
28 not have title to the vehicle and does not warranty the title.

29 4. The purchaser certifies to the dealer that the person is  
30 either a corporation, limited liability company, or partnership  
31 or a person who files a schedule C or schedule F form for  
32 federal income tax purposes, and that the motor truck is being  
33 purchased for business purposes, and not for personal use.

34 5. The dealer assumes no liability for damages resulting  
35 from a customer's test drive of the motor truck, and the

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1 consignor maintains financial liability coverage as required  
2 under section 321.20B or 325A.6, as appropriate, for the motor  
3 truck throughout the term of the consignment.

4 Sec. 30. Section 322.9, subsection 2, paragraphs a, b, and  
5 c, Code 2014, are amended to read as follows:

6 a. Failing upon the sale or transfer of a vehicle, except  
7 upon the sale of a vehicle under section 322.7B, to deliver to  
8 the purchaser or transferee of the vehicle sold or transferred,  
9 a manufacturer's or importer's certificate, or a certificate of  
10 title duly assigned, as provided in chapter 321.

11 b. Failing upon the purchasing or otherwise acquiring of a  
12 vehicle, except a vehicle acquired on consignment under section  
13 322.7B, to obtain a manufacturer's or importer's certificate,  
14 or a certificate of title duly assigned as provided in chapter  
15 321.

16 c. Failing upon the purchasing or otherwise acquiring of a  
17 vehicle, except a vehicle acquired on consignment under section  
18 322.7B, to obtain a new certificate of title to such vehicle  
19 when and where required in chapter 321.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 This bill contains provisions relating to matters under the  
24 purview of the department of transportation (DOT).

25 DIVISION I — HIGHWAYS. Under current law, the DOT has  
26 the responsibility for regulating junkyards along interstate  
27 highways. This bill extends the scope of that responsibility  
28 to include all highways on the national highway system. The  
29 national highway system is designated by the federal highway  
30 administration in consultation with the DOT and consists of  
31 certain interconnected urban and rural principal arterials and  
32 highways.

33 The bill prohibits the establishment, operation, or  
34 maintenance of a junkyard within 1,000 feet of the nearest  
35 edge of the right-of-way of any highway on the national

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1 highway system unless the junkyard is not visible from the  
2 main-traveled portion of the highway or is screened from view;  
3 is located within areas zoned for industrial use; or is located  
4 in an unzoned industrial area defined by DOT regulations.  
5 However, a junkyard in a zoned or unzoned industrial area  
6 lawfully in existence on July 1, 2014, which is within 1,000  
7 feet of the right-of-way and visible from the main-traveled  
8 portion of the highway shall be screened, if feasible, by the  
9 DOT or by the owner at the direction of the DOT.

10 Under current law, the DOT regulates billboards along  
11 interstates and primary highways. The bill expands the scope  
12 of that regulation by redefining "primary highways" to include  
13 all highways on the national highway system and all highways  
14 on the federal-aid primary system as it existed on June 1,  
15 1991. Certain restrictions on the placement of advertising  
16 devices are amended to narrow the application to nonfreeway or  
17 noninterstate primary highways.

18 DIVISION II — MISCELLANEOUS PROVISIONS. Code section  
19 321.50 is amended to provide that when a security interest is  
20 noted on an Iowa certificate of title and in the statewide  
21 computer system and the county's records, it can be presumed  
22 that the security interest has been discharged upon the  
23 presentation of a valid certificate of title subsequently  
24 issued by the foreign jurisdiction on which the security  
25 interest is no longer noted.

26 The bill amends a provision in Code section 321.176A which  
27 describes the exemption from commercial driver's license  
28 requirements that applies to farmers and persons working for  
29 farmers. The bill states that the exemption applies to a  
30 farmer or a person working for a farmer while operating a  
31 covered farm vehicle as defined in the 2012 federal Moving  
32 Ahead for Progress in the 21st Century Act, also known as  
33 MAP-21, which authorizes surface transportation funding.

34 The bill amends Code section 321.187 to allow third-party  
35 testers to administer the driving skills test required for a

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1 commercial driver's license, provided the third-party tester  
2 administers the same test as that which would be administered  
3 by the state and complies with federal regulations for testing  
4 which are adopted by the department by rule. A skills test  
5 examiner used by a third-party tester must also meet federal  
6 requirements. The DOT is directed to adopt rules requiring  
7 that a third-party tester, other than a community college,  
8 be an Iowa-based motor carrier, or its subsidiary, whose  
9 principal office is within this state and that operates a  
10 permanent commercial driver training facility in this state.  
11 The rules may also require a third-party tester to conduct a  
12 number of skills test examinations above the number required  
13 under federal law in order to remain qualified as a third-party  
14 tester. The changes to Code section 321.187 take effect upon  
15 enactment and are repealed five years later.

16 The bill amends Code section 321.257 to describe new colored  
17 lights and lighted symbols used on official traffic-control  
18 signals. The "steady upraised hand" light means the same as  
19 the "don't walk" light, and the "walking person" light means  
20 the same as the "walk" light. The "flashing upright hand"  
21 and the "upraised hand with countdown" lights are pedestrian  
22 signals that indicate when to wait before crossing or proceed  
23 to a safety zone, and the "upraised hand with countdown"  
24 light also indicates the time remaining for the pedestrian to  
25 complete the crossing. The "flashing yellow arrow" light means  
26 vehicular traffic may cautiously enter the intersection and  
27 proceed in the direction indicated by the arrow, but must yield  
28 the right-of-way to other vehicles and pedestrians lawfully in  
29 the intersection or approaching closely.

30 The bill amends Code section 321.258 to update descriptions  
31 of the arrangement of lights on official traffic-control  
32 signals. The bill adds steady and/or flashing left-turn  
33 and right-turn red arrows, steady left-turn yellow arrows,  
34 and flashing left-turn yellow arrows to the prescribed  
35 arrangements.



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1 The bill enacts new Code section 328.13 establishing a  
2 commercial air service retention and expansion committee within  
3 the aviation office of the DOT. Members of the committee  
4 include representatives from the DOT, commercial airports,  
5 and the general assembly. The charge of the committee is  
6 to develop a plan on or before December 31, 2014, for the  
7 retention and expansion of passenger air service in Iowa and to  
8 meet as necessary to assess progress in implementing the plan  
9 and if necessary to update the plan.

10 Under current law, when an aircraft that was registered  
11 in this state is destroyed by fire or accident or junked and  
12 its identity as an aircraft entirely eliminated, or when the  
13 aircraft is removed from the state, the owner has 10 days in  
14 which to return the certificate of title and claim a refund  
15 of the registration fee. The bill extends the deadline to 30  
16 days.

17 Pursuant to 2012 Iowa Acts, chapter 1129, section 4, the DOT  
18 is currently required to submit quarterly reports regarding  
19 the implementation of efficiency measures identified in the  
20 "Road Use Tax Fund Efficiency Report", January 2012, and any  
21 new efficiency measures identified or undertaken. The bill  
22 requires the efficiency reports to be submitted annually by  
23 December 31, instead of quarterly.

24 The bill requires the engineer of each county to provide a  
25 report to the DOT by October 1, 2014, identifying all locations  
26 in the county where two different roads or highways with a  
27 speed limit of 55 miles per hour or greater intersect but  
28 are not controlled by an official traffic-control signal or  
29 official traffic-control devices in all directions. The DOT is  
30 directed to file a report with the legislative services agency  
31 by December 31, 2014, detailing the number and locations of the  
32 intersections identified in the county engineers' reports.

33 DIVISION III — MOTOR VEHICLE DEALERS. Current law allows a  
34 motor vehicle dealer to operate a vehicle owned by the dealer  
35 for either private or business purposes without registering

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1 the vehicle, provided the vehicle is in the dealer's inventory  
2 and is continuously offered for sale at retail and the vehicle  
3 displays a special dealer plate. The fee for a special dealer  
4 plate is \$40 for a two-year period. The bill allows such a  
5 vehicle to be used to haul a load or tow a trailer. The bill  
6 establishes a fee of \$750 for a two-year period for a special  
7 dealer plate to be displayed on a vehicle used to haul a load  
8 or tow a trailer.

9 Current law requires a new motor vehicle dealer to  
10 disclose to a buyer if the vehicle has had any damage repairs,  
11 adjustments on parts, or replacement of parts if the cost of  
12 the repairs, adjustments, or replacement exceeds 4 percent  
13 of the dealer's adjusted cost. The bill changes the measure  
14 requiring disclosure to be an amount that exceeds 4 percent of  
15 the manufacturer's suggested retail price.

16 The bill provides an exemption from the fee for new  
17 registration for vehicles primarily used by a dealer's  
18 customers while the customer's vehicles are being serviced  
19 or repaired by the dealer. Currently, the exemption is only  
20 available for vehicles purchased by a dealer for resale.

21 The bill allows a licensed motor vehicle dealer to sell  
22 used motor trucks with a gross vehicle weight rating of  
23 26,001 or more pounds on a consignment basis. The dealer  
24 must be licensed to sell used vehicles, and the purchaser  
25 must be either a corporation or other business entity that  
26 is purchasing the vehicle for a business purpose. A vehicle  
27 being sold on consignment must be prominently labeled as a  
28 consignment vehicle; the sales documentation must clearly  
29 indicate that the vehicle is being sold on consignment; and the  
30 dealer must put customers on notice that the dealer does not  
31 have title to the vehicle or warranty the title. The consignor  
32 is required to maintain appropriate financial liability  
33 coverage for the vehicle, and the dealer assumes no liability  
34 for damages resulting from a test drive. In a consignment  
35 transaction authorized under the bill, a dealer is exempt from

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1 the requirement to obtain a title to the vehicle and to assign  
2 and warrant the title to the purchaser.



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**Senate File 2356 - Introduced**

SENATE FILE 2356  
BY COMMITTEE ON WAYS AND MEANS  
  
(SUCCESSOR TO SF 2323)

**A BILL FOR**

1 An Act exempting from the state sales tax the purchase price of  
2 tangible personal property sold and services furnished to a  
3 nonprofit food bank.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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mm/sc



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1 Section 1. Section 423.3, Code 2014, is amended by adding  
2 the following new subsection:  
3 NEW SUBSECTION. 101. The sales price from the sale or  
4 rental of tangible personal property, or services furnished,  
5 to a nonprofit food bank, which tangible personal property  
6 or services are to be used by the nonprofit food bank for a  
7 charitable purpose. For purposes of this subsection, "*nonprofit*  
8 *food bank*" means an organization organized under chapter 504  
9 and qualifying under section 501(c)(3) of the Internal Revenue  
10 Code as an organization exempt from federal income tax under  
11 section 501(a) of the Internal Revenue Code that maintains  
12 an established operation involving the provision of food or  
13 edible commodities or the products thereof on a regular basis  
14 to persons in need or to food pantries, soup kitchens, hunger  
15 relief centers, or other food or feeding centers that, as an  
16 integral part of their normal activities, provide meals or food  
17 on a regular basis to persons in need.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill exempts from the sales tax the purchase price from  
22 the sale or rental of tangible personal property, or services  
23 furnished, to a nonprofit food bank if the property or services  
24 are to be used by the nonprofit food bank for a charitable  
25 purpose. "Nonprofit food bank" is defined in the bill.

26 By operation of Code section 423.6, an item exempt from the  
27 imposition of the sales tax is also exempt from the use tax  
28 imposed in Code section 423.5.